Hong Kong Film Policy –
A critical study

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Abstract

Film policy often attempts to strike a balance between sustaining a national film industry and producing culturally distinctive films. It represents a battleground upon which policy makers, cultural critics, industry professionals and the general public negotiate the substance and meaning of national cinema. Using the national cinema discourse, this essay looks at the films policies of France, Canada and Korea, and examines the way film policies in these countries impact the production, distribution and exhibition of films in these countries. It then traces the development of film policy in Hong Kong since the handover, and argues that Hong Kong's film policy evolved in tandem with a growing self awareness of the city's unique cultural identity, and as a result Hong Kong's film policy had changed from an industry and trade centred approach in which film is treated like any commodity to one that takes into consideration film's cultural value. These changes came at a time when Hong Kong cinema is under increasing threat from the downturn in the industry and from the growing influence of mainland China in terms of film financing and censorship. The recent establishment of the Film Development Council and a HK$300 million Film Development Fund can be seen as not only an attempt to revive the fortune of the film industry, but a way to re-exert the local and the mundane in Hong Kong's national cinema.

電影政策嘗試在建立國家電影工業與生產文化意義出色的電影之間取得平衡。它是政策決策者、文化評論員、電影工業工作者與及市民大眾之間的戰場，各界分別利用電影政策協商國族電影的內容和意義。本論文以國族電影理論爲基礎，檢視法國、加拿大和韓國三個國家的電影政策，探討這些國家的電影政策如何影響當地的電影製作、發行以及放映，然後再追溯香港電影政策自回歸以來的發展。本文的主要論點是，香港的電影政策的轉變受香港對自身獨特文化的自覺性直接影響，從回歸初期以貿易發展的方法，以推銷商品的方式推廣香港電影，以至近期多從文化角度去制定電影政策。這些改變並非偶然，而是因爲香港電影業正面對市場下跌以及中國大陸的電檢和投資等幾項因素改變了香港電影的本質。最近成立的電影發展局和三億港元電影發展基金除了是振興電影業的措施外，也可被視爲爲香港電影重新注入本土性以及通俗性的原素的手法。

Chapter 1

Introduction

Prior to the mid-1990s, Hong Kong had virtually no film policy[1]. This was a remarkable fact, considering the territory was once the third largest film producer in the world, supplying filmic entertainment for the Hong Kong population and much of the Chinese Diaspora in the decades after the Second World War. It was only with the industry's rapid decline starting from the mid-1990s--due to a variety of factors including dwindling audience numbers, piracy and the Asian economic downturn—that industry professionals clamoured for government intervention. In response, the government had, and continues to, put into place various policy measures aimed at assisting the film industry. These policies have met with mixed success over the years in terms of arresting the slow but steady decline of the film industry. In March, 2007, the government announced its latest initiative, the establishment of a $300 million film fund to offer production loans to small to medium-sized film productions, which, when implemented, will represent the first time the Hong Kong government has directly invested in the film industry. This latest film policy initiative signals a significant shift away from the laissez-faire

[1] With the possible exception, albeit a minor one, of censorship. Prior to the implementation of the three-tier film classification scheme in 1987, only about 20 films were banned outright in Hong Kong because of political content between 1973 and 1987 (Darrell W. Davis and Yeh Yueh-yu, "Warning! Category III," *Film Quarterly,* Vol. no. 54, issue no. 4, 20), which presumably included both local and well as foreign productions. In view of its modest impact on the film industry in Hong Kong, I will not consider censorship in this study.

approach during the colonial period to one of increasing intervention after 1997.

No less remarkable was the change in the way cinema has been discoursed by policy makers, industry professionals, cultural critics and other interested parties in the past ten years. Over this period, there has been a burgeoning awareness that cinema was more than just a commodity, and a growing self-consciousness about the medium as a means of cultural expression. This was not to say that this idea was totally absent in Hong Kong prior to 1997, or that no Hong Kong filmmakers had cultural/ artistic aspirations before the Handover. Rather, a case can be made that since 1997, as the issue of cultural identity increasingly gained currency in Hong Kong, cinema was more and more often viewed in terms of local identity and this, in turn, influenced the way film policy was conceived and implemented during this period. Compare, for example, Chief Executive Tung Chee-hwa's assertion in his policy address of 1998 that the Hong Kong film industry needs to "upgrade itself if it was to capture a larger share of the market"[2] with the statement from the Secretary for Commerce, Industry and Technology Wong Wing Ping made in March, 2007, stating that "film is not just entertainment, but also reflects local culture, and that limited governmental support will strengthen the development of the industry".[3]

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[2] Tung Chee Hwa, "Policy Address 1998", http://72.14.235.104/search?q=cache:h4GL1KxuZoYJ:unpan1.un.org/intradoc/groups/public/documents/APCITY/UNPAN007452.pdf+tung+chee+hwa+film+industry&hl=zh-TW&ct=clnk&cd=6&gl=hk, accessed 25 May 2007.

[3] "Wong Wing Ping admits film development fund may lose money", *Sing Tao Daily News*, 11 March 2007,

By stressing cinema's cultural significance as an alibi for public subvention in the film industry, Hong Kong's policy makers have borrowed from, or tapped into, discourses on national cinema that have been around in many countries since as far back as the early part of the last century.[4] These discourses are concerned with a particular way of looking at cinema, and with the role cinema plays, or was seen to play, within a geographical territory. National cinema is not only a descriptive discourse, looking back at the catalogue of films produced in a geographical territory and connecting them with the cultural character of that society, but also a prescriptive one, concerned with utilizing society's resources towards producing certain kinds of cinematic productions. Examining how the national cinema discourse influences film policy allows us to assess underlying assumptions behind such policies, provide a critical perspective on their implementation and make predictions upon its outcome.

This essay is primarily concerned with the relationship between the descriptive and prescriptive dimensions of the national cinema discourse, in the way conceptions about Hong Kong cinema influenced the development of film policy over the past ten years. It will argue that the discourse of national cinema[5], which highlights national identity and cohesion, has been utilized to bolster the claim that Hong Kong cinema is

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http://www.singtao.com/index_archive.asp?d_str=20070311&htmlpage=main&news=0311ao13.html (accessed 24 May 2007). "王永平認電影基金或蝕錢", 星島日報

[4] See, for example, Andrew Higson, *Waving the Flag: Constructing a National Cinema in Britain* (Oxford: Clarendon Press, 1995)

[5] Although the term in usually associated with sovereign nations, this essay ascribes Hong Kong cinema with 'national' status because after 1949, it developed separately from the Mainland. Its unique geo-political situation also endows its cinema with a distinctive character.

culturally significant and that government funding is both necessary and useful for the development of the film industry. Yet certain types of national cinema discourses, by valorizing certain types of films and favouring some images of the nation, problematize the concepts of both nation and cinema. Film policy, by devoting public resources toward producing national cinematic texts, puts these problematics into sharp focus, raising such questions as what exactly qualifies as a national text? Given that policy inevitably involves resource allocation, why should some type of film productions or some sectors of the industry benefit from funding while others not? In view of the contested nature of the idea of 'nation', is it possible to resist the imposition of the ideals of the hegemonic group? In view of globalization and the ever increasing pressure on nations to liberalize trade, how can nations justify subsidizing this particular industry? Hong Kong film policy is still in its formative stage, and many of these questions have not yet been raised, much less resolved, and this thesis is a timely and much needed interrogation into these areas. In the next chapter I will look at how film policies in three countries, France, Korea and Canada evolve to tackle some of these questions, and then turn my attention to the development in Hong Kong film policy in the following chapter. Since the national cinema discourse forms a central part of this essay, it is useful to take a look at the development of this discourse.

The National Cinema Discourse

Kristin Thompsn points out that claims about national cinema first emerged in Europe after 1915,[6] in countries that saw the increasing domination of American films during and after World War One. In order to distinguish European cinema from their American counterpart, filmmakers and critics sought to promote alternate aesthetics linked to supposedly indigenous cultural traditions. In Britain, for example, there was a concern to associate cinema with other established arts such as literature and theatre starting from the 1910s and into the 1920s.[7] Later on, national cinema came to be associated with particular cinematic styles with links to the social and/or political reality of that nation, such as German expressionism and British documentary realism of the 1920s and 1930s. With the development of the auteur theory, national cinemas were organized around 'great' works by 'major' directors, like Ingmar Bergman in Sweden, Jean-Luc Godard and Francois Truffaut in France and Howard Hawks and John Ford in America.[8] In the 1970s and 1980s, the influx of semiotics, Lacanian psychoanalysis and structuralism into film criticism led to national cinemas being analyzed in terms of 'national psyches', as with Martha Wolfenstein and Nathan Leite' *Movies: A Psychological Study* (1971).[9] In all of

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[6] Kristin Thompson, ""Nation, National Identity and the International Cinema", *Film History* 8(1996): 259-260

[7] Andrew Higson, *Waving the Flag: Constructing a National Cinema in Britain* (Oxford: Clarendon Press, 1995), 15

[8] Mette Hjort & Scott Mackenzie. ed. *Cinema & Nation* (London & New York: Routledge, 2000),3

[9] Ibid., 3

these approaches, the idea that there is something essentially German or British about German and British cinema was never questioned.[10]

With the publication of Benedict Anderson's *Imagined Communities* in 1991, national cinemas came to be conceptualized around the notion of the nation as an imagined community.[11] According to Anderson, the collective consumption of mediated texts creates a sense of national identity for people within a nation-state.[12] Although the focus of Anderson's work is concerned mainly with print media, film scholars have applied his insights to national cinema, analyzing the way in which cinematic texts have been used to construct national identity. For Susan Hayward, cinema functions as 'the articulation of a nation', even if it subverts the notion of nationhood, it still addresses it, albeit negatively or oppositionally.[13] Cinema participates in the project of nation building, and the audience is interpellated into a certain national identity, and defines themselves as a national 'us' against other national 'thems'. In his study of British national cinema, Andrew Higson looks at how certain British films from the 1920s and 1930s highlight themes of family and community as against the more individualistic ethics of Hollywood, while heritage films of the period project a stable, spectacular image of history, imagined from the

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[10] Ibid., 3
[11] Ibid., 2
[12] Ibid., 23
[13] Susan Hayward, *French National Cinema* (London & New York: Routledge, 1993), x

present point of view.[14] In the process, differences and divisions including gender, class and ethnicity are written out of existence. For this reason, Higson is skeptical of the homogenizing tendencies he thinks is inherent in national cinema (at least for Britain), and suggests that 'the parameters of a national cinema should be drawn at the site of consumption as much as the site of production of films',[15] which includes not only films that are produced in a nation-state, but also all the films that are watched by its audience. Yet John Hill points out that a distinction should be made between cinema in a nation state and a state's national cinema if one is to use the term as a normative concept and argue on cultural grounds that a state *ought* to have its own national cinema.[16]

National cinema is part of what Anthony D. Smith calls the 'national cultural': the cultural core of memories, values, customs, myths and symbols that gives a nation a sense of itself.[17] Thus many politicians, policy makers, interest groups, industry professionals and audiences could be attached, for different reasons, to the national cinema project.[18] Politicians and policy makers find national cinema useful for creating a sense of community among the populace, and instill the mores, outlook and

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[14] Andrew Higson, *Waving the Flag: Constructing a National Cinema in Britain*, 274
[15] Andrew Higson, "The Concept of National Cinema", *Screen,* vol. 30, no. 4, Autumn 1989, 36
[16] John Hill, "The Issue of National Cinema and British Film Production", Duncan Petrie, ed., *New Questions of British Cinema*, (London: BFI Publishing, 1992), 10
[17] Anthony D. Smith, *The Ethnic Origins of Nations* (Oxford: Basil Blackwell, 1986), 129-139
[18] Tom O'Regan, *Australian National Cinema* (London: Routledge, 1996), 67

continuing hegemony of the governing class upon the masses.[19] Cinema, as a prestigious art form that attracts a great deal of media attention, can also enhance a nation's image internationally through participation in film festivals or via theatrical distribution, and have a knock-on promotional effect upon other industries like manufacturing and tourism.[20] Film industry professionals, in advocating national cinema, are often concerned with utilizing public policy and resources to counter foreign (usually American) competition and bolster indigenous film industries. Lastly, audiences often display conflicting loyalties. They have a preference for indigenous films for which they have a linguistic and cultural affinity, but at the same time enjoy Hollywood films that provide superior audio-visual excitement and entertainment value.[21] They are also broadly supportive of policies that give support to the local film industry.[22]

Many scholars find national cinema a useful concept for analyzing film policy. O'Regan points out the idea that the film sector require special state aid depends on "constructing, then having the public recognize that film production as a needy, disadvantaged sector conferring sound and tangible national benefits".[23] These benefits, as mentioned above, include enhancing social cohesion and fostering a sense

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[19] Ian Jarvie, "National Cinema: A theoretical assessment" in Mette Hjort & Scott Mackenzie. ed. *Cinema & Nation*, 81

[20] Tom O'Regan, *Australian National Cinema*, 24

[21] Eun-Mee Kim, "Market Competition and Cultural Tensions between Hollywood and the Korean Film Industry", *The International Journal of Media Management*, 6 (3&4), 209

[22] Ibid., 25

[23] Tom O'Regan, *Australian National Cinema*, 120

of community among the populace. But the concept of national cinema can also be used critically, as a way of interrogating the idea of the nation as well as cinema itself, for the national cinema discourse, by deconstructing national cinema into different categories, provides insights into the way they interact and produce ideas about the nation and cinema. According to Stephen Crofts, national cinema encompasses production, audiences, discourses, textuality, national-cultural specificity, culturally specific genres and the role of the state.[24] These categories are often taken for granted, or simply overlooked, in the usual debates about film policy. Examining the national cinema discourse, therefore, is useful for interrogating film policy from a critical angle, so that the main concern is not simply the effectiveness of particular policies, but the underlying assumptions behind them.

Hong Kong Cinema as National Cinema

Although Hong Kong is not a politically sovereign nation, many scholars have characterized Hong Kong cinema as national cinema. Yingchi Chu analyzes Hong Kong cinema according to five different typologies (themselves derived from Susan Hayward in her study on French cinema), including film narratives, film genres, codes

[24] Mette Hjort & Scott Mackenzie. ed. *Cinema & Nation*, 4

and conventions, gesturality and morphology, and the star as sign, and argues that Hong Kong cinema possesses a cultural specificity that makes it quasi-national.[25] Chu theorizes that at least since the 1970s, there had been a distinct community awareness and a self awareness of the unique geo-political identity in Hong Kong cinema,[26] due to the fact that the character of Hong Kong cinema has been shaped by the "shifts in the triangular relationship between the British colonizer, the Chinese motherland, and Hong Kong."[27] Although Chu sees the reversion to Chinese sovereignty after 1997 as having little impact on the quasi-national cinema in Hong Kong,[28] I will argue that although the change in political sovereignty did not threaten the city's cinematic identity, the continual downturn in the film industry after the handover and the consequent reliance on the mainland Chinese market had made it less and less autonomous and independent.

Hong Kong cinema had always had to rely on exporting its products for a significant part of its income, but after the decline of the Taiwanese market in the early 1990s and the shrinking of Asian markets after the Asian Financial Crisis[29], the region began to focus on China as its most significant export market. With the signing of the Closer Economic Partnership Arrangement (CEPA) in 2003, China's

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[25] Yingchi Chu, *Hong Kong Cinema: Colonizer, Motherland and Self* (New York: RoutledgeCurzon, 2003), 63
[26] Ibid., 97
[27] Ibid., 119
[28] Ibid., 120
[29] Ibid., 122-3

market became open to Hong Kong films. But to be granted permission to be exhibited in China, Hong Kong films must first be approved by Chinese censors, and additionally, Hong Kong-Chinese co-productions also have to have their scripts cleared by censors before being allowed to shoot. The Hong Kong film industry had always enjoyed wide artistic freedom, and very few subject matters had been off-limits. In the past few years, the industry has had to labour under strict censorship rules for the first time in its history, and this in turn greatly affected the character of the Hong Kong cinema. In addition, mainland companies have also become one of the main sources of financing for Hong Kong films, and they are able to dictate the type of genres and stars best suited to the China market. Thus at least three of the five typologies of Hong Kong's national cinema, including film genres, codes and conventions, and the star as sign are directly or indirectly altered as a result of CEPA.

The establishment of the Film Development Council in April, 2007 and the HK$300 million Film Development Fund can be seen as measures to counter the effects of CEPA, by producing small to medium budget features to balance out the big-budget co-productions now dominating the Hong Kong market. Hong Kong's film policy since the handover represents the tension between sustaining a national film industry and maintaining its distinctive character.

Methodology and Scope

This thesis will utilize discourse analysis to look at the film policies of France, Canada and Korea. These countries are chosen as examples from three different continents, all of which has had a long history of using film policy to bolster its domestic film history in the face of the dominance of Hollywood. I will look at these countries' film policies from the point of view of recent discussions surrounding national cinema, and examine the ideological implications of these policies, in particular issues surrounding national identity, cultural diversity and the development of cultural industries.

In discussing film policy in Hong Kong, I will make use of primary documents including policy statements, consultant reports, as well as interviews with industry professionals and government officials. In addition, secondary sources such as newspaper reportage and journal articles will be consulted. Finally, a third layer of texts consists of academic discourse and theories regarding post-colonial Hong Kong identity and Hong Kong cinema will be consulted. In addition, I will take a close look at a number of consultation reports commissioned since the handover on the film industry and creative industries in general, which show a growing awareness of the cultural significance of Hong Kong cinema and the need to preserve and develop the

indigenous film industry. Together, these documents will provide insights on the relationship between national cinema and film policy in Hong Kong.

In tracing the development of film policy in Hong Kong, it will become clear from policy documents, consultation papers and official statements the way in which cinema is brought into the sphere of governmentality. As Tony Bennett remarks, the process by which cultural policy is formulated in the modern state defies traditional formulations of 'top down' or 'bottom up'[30], but involves a more nuanced relation of mutual dependency between government and the community. Community is not understood as a naturally occurring body, but one constituted by its relations to government. In policy formulation, for example, pressure groups claiming to represent certain segment of the community are formed to lobby the government for their own interests. Within the Hong Kong context, this essay will trace the process by which cinema becomes a subject of governmentality through a dialogical process between policy makers and members of the 'film community' in which Hong Kong cinema is recognized as a field worthy of and in need of public intervention in the form of progressively more explicit policy initiatives both before and after 1997.

In many countries in the world, justification for film policies typically revolves around support for the industry and support for culture.[31] Advocates for the former

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[30] Tony Bennett, *Culture, A Reformer's Science.* (London ; Thousand Oaks, Calif. : Sage Publications, c1998), 195

[31] John Hill, "The Issue of National Cinema and British Film Production", Duncan Petrie, ed., *New*

see a nationally-based film industry with a sizable national audience as the primary goal of film policies. They typically cite the economic contribution of the film industry, both in terms of the revenue generated by film and related cultural products or the potential for job creation. Advocates for the latter seek to justify film policies according to the cultural benefits of films upon the national psyche, or the prestige generated by certain types of film productions. While not necessarily opposed, there is often a tension between the two funding alibis, since in practice they support two very different kinds of films—the commercially popular and the artistic/cultural films.[32] The debates and issues surrounding film policies in France, Canada and Korea as outlined in Chapter 2 will serve to illustrate the way these countries come to terms with the industry/culture dichotomy. Another closely related issue is that of cultural diversity. Many film policy advocates claim that such policies are put in place so as to ensure that there is sufficient diversity of film products on the market,[33] while some critics are skeptical of this assertion, and suggest that encouraging imports from other countries may be just as effective for achieving cultural diversity.[34] All three of the countries surveyed have to tackle this issue in their respective film policies, and their work is further complicated by the current neo-liberalist turn in

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Questions of British Cinema, 10

[32] Which is not to say that some films can't be both popular and artistic, but they tend to be the exception rather than the rule.

[33] Hill, John, "The Issue of National Cinema and British Film Production", 18

[34] Andrew Higson, "Limiting Imagination of National Cinema" in Mette Hjort & Scott Mackenzie. ed. *Cinema & Nation*, 71

world economic discourse, which curbs the amount of control nations have on their economies.

The issues confronted by France, Canada and Korea with the implementation of their respective film policies are also relevant to Hong Kong. As outlined in Chapter 3, it is evident that in the past ten years, Hong Kong's film policy had gradually moved from one in which industry support was the main concern to one where cultural considerations take precedence. As the Hong Kong government begins direct investment in film productions, many of the debates concerning the industry/culture divide that had been central to film policy discourse in other countries will likely be played out in the region as well. Like many countries in the world, Hong Kong's film exhibition sector is also faced with the domination of Hollywood blockbusters at the box office, which has the effect of squeezing out small and medium sized local productions and reducing filmic diversity. In addition, Hong Kong cinema also has to come to terms with another national presence—mainland China, which further complicates the identity of its national cinema. Tracking the way Hong Kong film policy and policy discourse address these issues will form the main scope of this essay.

Research Questions and purpose

The focus of this study is the evolution of Hong Kong film policy from 1997 to the present. It will attempt to establish that Hong Kong's film policy evolved in tandem with a growing self awareness of a Hong Kong identity, both in the social and cultural realm. It will use the national cinema discourse to untangle the implications and effects of this self awareness upon film policy in Hong Kong. It will use case studies from France, Canada and Korea to examine the relations between film policy and cultural identity, cultural diversity and the film industry in general.

This study is significant in the following aspects:

a) In the past ten years there have been many changes and developments in Hong Kong's film policy. While there has been plenty of textual analysis on Hong Kong cinema, and a few works about the region's film industry, there have been no studies on its film policy. This is the first systematic and empirical study of Hong Kong film policy over this period.

b) Looking at Hong Kong's film policy through the national cinema discourse will help explain how and why it has evolved this way.

c) Examining and comparing the film policies of other countries will provide a framework for predicting the future development of Hong Kong film policy in the years to come.

Chapter 2

Comparative Studies

Thomas Elsaesser remarked that national cinema made sense only as a relation, not an essence, for it was dependent on other kinds of filmmaking, and operated in the context of Hollywood.[35] Before looking into the film policies of France, Canada and Korea and how they affect their respective national cinemas, it is therefore useful to briefly examine the state of the world film industry, in particular the dominance of the American film industry. Hollywood's dominance of global film markets was overwhelming and undeniable: Hollywood films accounted for some 75% of total box office in Western Europe[36], 64.5% in Japan[37] and 81% in Australia[38]. Yet this dominance was not completely the result of free market forces and audience preference for supposedly superior products, but based on historical, political and economic factors played out over the past century and into the present. The US government, despite its insistence that it had no official cultural policy, had consistently aided the film industry with diplomatic maneuvers (as, for example, by blocking moves by foreign countries to impose quota restrictions on American films) and hidden subsidies in the form of tax incentives or free use of public services,

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[35] Tom O'Regan, *Australian National Cinema*, 48

[36] 1995 figures, Toby Miller et al., *Global Hollywood*, (London : British Film Institute, 2001),7

[37] 2000 figures. Source: Centre de National de la Cinematographie, as cited by Allen J. Scott, "Hollywood in the Era of Globalization", YaleGlobal, 29 November 2002, http://yaleglobal.yale.edu/article.print?id=479, accessed 9 December 2006

[38] 2005 figures. Source: Australian Film Commission, http://www.afc.gov.au/GTP/wcfilmxcountry.html, accessed 9 December 2006

among other measures.[39] The American film industry used oligopolistic practices such as block booking to encourage exports, while keeping foreign films out of domestic screens to entrench its market dominance.[40] Furthermore, the nature of the film industry, which required high capital expenditure and involves high risk, makes entry into the market extremely difficult and ensured the maintenance of the status quo.

In addition to the above factors, a number of economic variables have been used to explain Hollywood's global dominance. The term "cultural discount" refers to the fact that audiences have a preference for indigenous cultural products, and that foreign cultural products suffer a discount in value.[41] Also, studies indicate that the popular appeal of films increases with higher investment in production costs.[42] Both factors tend to give advantage to markets with a large home market base, and America is the largest market in the world in monetary terms. American films can recoup the cost of production alone, which allows them to be priced more competitively in foreign markets. The market potential of American films is further strengthened by the fact that English language films suffer less from the cultural discount factor than films in other languages.[43]

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[39] Toby Miller and George Yudice, *Cultural Policy*, (London : SAGE, 2002), 37
[40] Ibid, 36
[41] Eun-Mee Kim, "Market Competition and Cultural Tensions between Hollywood and the Korean Film Industry", 209
[42] Ibid. 208
[43] Ibid. 209

Since the 1980s, there had been a trend towards corporate concentration in the United States[44], and film studios have become subsidiaries within horizontally and vertically integrated media empires with a global reach. Theatrical exhibition now represented the first in a series of exhibition windows that also include satellite, cable and pay-per-view television, all of which proliferated throughout North America, Europe and, to a lesser extent, Asia as a result of deregulation and new technology, as well as home video sales. Product licensing, commercial tie-ins and theme park rides represented other lucrative revenue streams. These developments have had a profound effect on the style and content of Hollywood films, as well as the way they are distributed and marketed over the last two decades.

This is the background against which France, Canada and Korea formulate and continue to shape their respective film policies in recent years. The national cinema of these countries must define themselves against foreign, mainly American products, and film policies represented the cinematic aspirations of policy makers, industrial interests and the public. These three countries are chosen for the present study not only because they are geographically, historically and socially disparate, but also because they all have a long and evolved history of dealing with the threat of Hollywood on their respective indigenous film industries, and have responded with

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[44] Nicholas Garnham, *Capitalism and Communication—Global Culture and the Economics of Information*, (London: Sage, 1990), 206

clear, identifiable and explicit film policies that could be described and analyzed. Film industries are comprised of production, distribution and exhibition sectors, and this study will focus on efforts to boost indigenous film production in France, the tension between indigenous production and foreign-owned distribution in Canada, and the effort to foster a national film industry through exhibition quotas in Korea. The film policies in these countries represent a constant push and pull between sustaining a film industry and making culturally distinctive film productions as policy makers, cultural critics, industry professionals and the general public negotiate the substance and meaning of national cinema. I will look in detail at the way film policies in these countries interact with issues of national sovereignty and cultural identity within the context of the national cinema discourse.

Film Policy in France

Film policy in France evolved gradually over the past century in response to international events and pressure from the film industry. Prior to World War 1, France was the world's leading film producer, and French films dominated the international market, capturing as much as 90 percent of global film business[45]. During the war, France's production resources were diverted to serve the war effort,

[45] Tyler Cowen, "French Kiss Off—How protectionism has hurt French Films", *Reason Magazine Online*, http://reason.com/9807/fe.cowen.shtml, accessed 4 Oct 2006. p. 3

and American film producers stepped in to fill the void, resulted in American films flooding the French market by the end of the decade. Throughout the 20s and 30s, France tussled repeatedly with the United Sates in the continual effort to resist Hollywood's conquest of French screens through various import restriction measures before finally settling on screen quotas, which restricted a proportion of screen time for indigenous products.[46] During World War II, the Vichy regime adopted from the Nazis a policy of rigid control with regards to cultural production, including cinema, by guaranteeing financing for approved projects and banning American films outright.[47]

In the post war period, France experimented with both screen quota and import quota (limiting the number of American film imports) to protect French films, and in the 1960s introduced an elaborate and generous system of subsidies to promote film production. Since 1946, French film policy had been administered by the *Centre national de la cinematographie* (CNC), which provided numerous financial support schemes aimed at film production, distribution as well as exhibition[48]. For the sake of brevity, this essay will mainly discuss production support and its implication for French national cinema.

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[46] Ian Jarvie, book review, *Hollywood's Film Wars with France: film-trade diplomacy and the emergence of the French film quota policy* in Historical Journal of Film, Radio and Television, Vol 22, No. 1, 2002, 95

[47] Ibid. p. 5

[48] Eling Kim, *The Politics of Cultural Policy in France.* (London: Macmillan Press Ltd., 1999) p.104-5

Funding from the CNC came partially from a tax on all cinema tickets, the *Taxe Speciale Additionnelle* (TSA), which amounted to 11% of ticket price. The TSA was paid into a special fund, the *compte de soutien*, which supported two main funding mechanisms, the *soutien automatique* and the *avance sur recettes*[49]. The former was based on a film's box office receipts. As its name suggested, film producers automatically received 120% of the TSA collected on a particular film. This money, which amounted to some 14% of a film's box office, could be used to pay for deferrals or, as was more often the case, finance a producer's next project. Since only French film producers were eligible for the *soutien automatique*, the system in effect used part of the box office from foreign (mostly American) films to subsidize French film production.

The *avance sur recettes* was theoretically a loan payable against box office receipts, but since only about 10% of recipients achieved the required level of income, the loan was effectively a grant.[50] The awarding of the *avance sur recettes* was adjudicated by a panel of industry professionals, and was usually given to first time filmmakers or films that have cultural or artistic merit.[51]

Since both the *soutien automatique* and the *avance sur recettes* were funded from the TSA, which was linked to box office receipts, the system came under threat

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[49] Ibid. p.105-6
[50] Jonathan Buchsbaum, "After GATT—Has the Revival of French Cinema Ended?", *French Politics and Society, Vol 23, No.3, Winter 2005.* p. 51, note 2.
[51] Ibid. p. 35

in the late 1980s when cinema audience shrank, theatres closed down, and the share of French films slipped to 30% for the first time in history, while the US film share reached a post-war high of 58%.[52] However, a number of important policies introduced since then had completely transformed the fortunes of the French film industry and revered its box-office slide vis-à-vis American films, the most significant one being a series of legislations passed in 1986 calling for each television station to pay a fixed portion of its turnover into the *compte de soutien.* Further legislations, passed in 1989 and 1990, respectively, required the then newly privatized television station TF1 to devote 3% of its turnover to film production,[53] while the new pay television channel, Canal Plus was required by law to pay 20% of its pre-tax revenue to subsidize the film industry.[54] The amount of capital available for the production of French films thus increased substantially, and both the number of film and the average budget for these films went up.

Another policy worth considering was the creation of tax shelter funds devoted exclusively to film production. Known as *Sociétés pour le Financement de l'Industrie Cinématographie et Audiovisuelle* (SOFICA), the scheme is meant to widen the capital base for the film industry. It allowed investors to choose among a

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[52] Ibid. p. 34
[53] Kim Eling, p.120
[54] Jonathan Buchsbaum, "After GATT—Has the Revival of French Cinema Ended?" p.36

number of investment funds, rather than investing directly on specific films.[55] When it was first introduced, money from the SOFICAs accounted for roughly 10% of all investment in French films, although the numbers have fallen drastically in recent years.[56] While the SOFICA scheme was intended mainly for independent films of medium to small scale budgets, the Ministry of Culture also set up a *fonds de garantie* in 1989 aimed at encouraging the production of big budget features (with a budget of at least 50 million francs) that were meant to compete with American blockbusters. The public guarantee fund covered between 50-70 per cent of losses of selected films. However, the scheme soon floundered when the initial batch of films produced were commercial failures and the fund of 30 million francs was soon exhausted.[57]

Nevertheless, with hundreds of millions of dollars of television money flooding into the *compte de soutien* as well as direct investments from television and the SOFICAs, the number of film productions in France rose sharply from 101 in 1993 to 183 in 2003.[58] Aided by the rise in multiplexes, film attendance also jumped, from 116 million spectators in 1992 to 195 million in 2004.[59] Thus, the fortunes of the French film industry could be said to be reversed by a series of timely and expedient policies put into place since the late 1980s.

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[55] Eling, Kim, p.121
[56] Jonathan Buchsbaum, "After GATT—Has the Revival of French Cinema Ended?" p.39
[57] Eling Kim, p.122
[58] Jonathan Buchsbaum, "'The Exception Culturelle is Dead.' Long live Cultural Diversity: French Cinema and the New Resistance" *Framework:47. No. 1, Spring 2006,* p. 10
[59] Ibid. p.9

These policies were developed under circumstances perhaps unique to France. The Socialist government of François Mitterrand was extremely sympathetic towards the arts, and the budget for the Ministry of Culture shot up by 79% the year after he came to office in 1982.[60] Interestingly the proportion of direct public spending on film remained quite low in relative to other areas such as theatre and museums, since the *compte de soutien* was not considered a part of tax revenue but a type of forced savings by the industry. The laws requiring television stations to contribute to the *compte de soutien* as well as invest directly in film productions were made after intense lobbying and behind-the-scenes maneuvering by industry professional organizations. [61] While these measures undoubtedly boosted the level of film productions, many critics feel that French films today pale in comparison with those produced during the so-called 'Golden Age' of the 1930s or the French New Wave, and described the current state of French cinema as a 'cultural ghetto.'[62] They blame television itself for the decline in the quality of films, and for weakening its public appeal, arguing that by being so readily available, twenty four hours a day, and re-run again and again, television has eroded the 'aura' of films. In order to fulfil quota requirements, television stations purchased a great many cheap but mediocre films for broadcast, which served to instill a negative image of the national cinema to

[60] Eling Kim, p.10
[61] Ibid. p. 120-1
[62] Martin Dale, *The Movie Game—The Film business in Britain, Europe and America* (London: Cassell, 1997) p. 165

the public.[63] Moreover, television had imposed its own aesthetic standards on films. As the founder of MK2, Martin Karmitz, notes in his autobiography,

> Nowadays, people sell films before they make them. They sell them...mainly to television companies [...] And that means they want films that are 'safe', that have nothing to say. [...] They steer clear of anything that might upset people, anything new or off-centre – in other words, creative.[64]

Such comments reflect certain ideas about the social purpose of film versus television (challenging as opposed to safe, creative as opposed to bland), as well as systems of valuation that pits certain films of yesteryear against certain ones today. These ideas and valuations may be useful for making aesthetic distinctions about different films, but are of questionable utility for deciding which films best represent a nation. Tom O'Regan suggests that the dull, the bad and the popular are also part of national cinemas, alongside the prestigious and artistic, and they are part of any cinema, and any identity.[65] Of more relevance to the present discussion is whether French film policy contributes to the strength of the national cinema.

The present film policy in France was conceived and implemented in the late 1980s by the cultural minister Jack Lang with the backing of the powerful film lobby, yet the close ties between them has led many to question whether those policies benefit French cinema or just the film industry. Many of the policies under Plan

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[63] Susan Hayward, *French National Cinema*, 58
[64] As quoted by Anne Jackel, *European Film Industrie*,. p. 38
[65] Tom O'Regan, *Australian National Cinema*, 135-6

Lang were decidedly pro-market. For example, before 1989, the *soutien automatique* employed a gradated scale that favoured films with lower box office gross (those with a lower gross get a greater percentage of TSA generated by the film, while box office successes had their TSA refunds capped at 60%.)[66] Under Plan Lang, the automatic support rate was standardized, which in effect rewarded the most successful films and their producers and strengthened their domination while the amount awarded to smaller productions was not sufficient as incentives towards further productions.[67]

Indeed, since the implementation of the Plan Lang, big budget films have taken a bigger share of the market. In 1982, the top ten French films at the box office took in 31% of the total share, but in 2000 the figure exceeded 50%, with most of the top films produced by large conglomerates like Gaumont and Pathé or produced in partnership with other communications industry giants.[68] One of the stated aims of the production aid system was to enhance cultural diversity by "favouring the production of different, independent and audacious feature films" and "encouraging the production of new directors' first films as a way of renewing artistic creation ".[69] But in effect, capturing a larger market share for French films became a greater

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[66] Emmanuel Cocq and Patrick Messerlin, "The French Audiovisual Policy: Impact and Compatibility with Trade Negotiations", (Hamburg: Hamburg Institute of International Economics, 2003), 14
[67] Ibid., 15
[68] Ibid., 15
[69] Ibid., 12

priority, even if it meant sacrificing film diversity.

The close ties between the French state and media conglomerates were also problematic. After awarding Canal Plus with its first commercial license in 1984, Francoise Mitterand then appointed his Chief of Staff Andre Rousselet as Chairman and Managing Director. In 1994 the channel was granted a ten-year license extension without a call for competitive bids.[70] This represented a conscious effort on the part of the Socialist government to nurture strong French media companies capable of producing big budget blockbusters to counter American hegemony. But later on, when Canal Plus entered into co-production deals with Hollywood companies to produce American films such as *JFK* and *Under Seige*[71], it became evident that corporate interests and cultural policy were not necessarily compatible. It was no wonder that when Canal Plus, one of the chief engines of France's cinematic renaissance, merged with Seagram, owners of Universal studios to form the multinational group Vivendi Universal in 2000 and became a player in Hollywood, the company's CEO Jean-Marie Messier declared that "cultural exception is dead". [72]

In view of the ambiguity of the term 'cultural exception', French policy makers have, in recent years, begun to use the term 'cultural diversity' to justify the country's

[70] Toby Miller et al., *Global Hollywood,* 102.
[71] Ibid, 105
[72] Jonathan Buchsbaum, "'The Exception Culturelle is Dead.' Long live Cultural Diversity: French Cinema and the New Resistance" p. 14

film policy, arguing that without it French cinema and television will be innundated with homogeneous American cultural products.[73] However, the paradox of the French film industry was that it had become increasingly dominated by a handful of large horizontally and vertically integrated corporations churning out blockbusters for mass consumption in much the same way as Hollywood studios. These corporations have grown up with the tacit approval of the government because their economy of scale offered the best chance of countering Hollywood hegemony, yet the large budget productions they produced and promoted ended up reducing the very cultural diversity that their CEOs publicly advocated.[74]

To counter the homogenizing effects of the large corporations, the CNC was constantly obliged to tweak the system to make it easier for independent producers to make small and medium sized budget films. One proposal, for example, called for the SOFICAs to invest a minimum of 65% of its funds on independent productions.[75] Another plan, adopted in 2000, required Canal Plus to devote 45% of its investments to productions with a budget of 5.4 million euros or less.[76] Yet for some critics, such plans merely exascerbated the current malaise of French cinema, which they considered to be a glut of mediocre productions. According to one estimate, of the 147 French films produced in 1998, between thirty to forty did not have a distributor

[73] Ibid. p. 13
[74] Ibid. p.16
[75] Jonathan Buchsbaum, "After GATT—Has the Revival of French Cinema Ended?" p.40
[76] Ibid. p. 40

the following year, and of the rest, a third had a minimal release, which usually meant a short run in multiplex in large urban centres.[77] Some 75% of films did not earn back their investments[78], and there is little incentive for producers to cater to the market when they could finance a film with subsidies, television pre-sales and a small amount of private investment[79]. By protecting its cinema with protectionist measures, some commentators feel that French films have lost touch with popular taste. Even though youths under the age of tewnty five account for almost 50% of film audiences, their needs were ill-served by the French film industry, so it was no wonder that many young people preferred watching American films.[80] In terms of box office figures, a few French hits drew most of the audience, while the majority of indegenous films, mostly in the small to medium–sized budget range flopped.

There is little doubt that France values cinema as "one of the totems of French society"[81] whose importance far exceeds its purely financial weight (which is about the same as the sale of ice cream in France.)[82] During the 1993 General Agreement on Tariffs and Trade (GATT) negotiations, the French fought hard, and eventually succeeded, in winning the support of fellow European members to exclude cultural

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[77] Anne Jackel, *European Film Industries*, (London: British Film Institute, 2003) p. 138.
[78] Jonathan Buchsbaum, "'The Exception Culturelle is Dead.' Long live Cultural Diversity: French Cinema and the New Resistance" p. 12
[79] Martin Dale, *The Movie Game—The Film business in Britain, Europe and America*, p. 175
[80] Ibid. p. 180
[81] Jonathan Buchsbaum, "After GATT—Has the Revival of French Cinema Ended?" p.50
[82] Jonathan Buchsbaum, "'The Exception Culturelle is Dead.' Long live Cultural Diversity: French Cinema and the New Resistance" p. 19

products and services from trade liberalization measures.[83] Using the argument of 'cultural exception', the French claimed that culture was not simply goods, and that subsidies and measures such as the "Television without Frontiers" directive, which stipulated that all French television stations must carry at least 60% European programs, were necessary for maintaining national identity.

When states take on the task of protecting national culture, it becomes imperative for them to define what constitutes 'nation' and 'culture'. Yet the French subsidy system was filled with loopholes and inconsistencies that problematized both the notions of nationhood and culture. For example, many heritage films based on French literary classics or historical figures were seen as quintessentially representatives of French national cinema, yet ironically such films were often so expensive to make that producers have to piece together financing (in the form of public subsidies) from several different countries, as was the case, for example, with *La Reine Margot* a French, Italian and German co-production. Because of their big budget, many of these films had to rely on foreign markets, and were produced along the Hollywood blockbuster model using foreign actors and filmed in English, as in the case with *Jeanne d'Arc*, *Le Cinquièmeélément*, *The Ninth Gate, Vatel* and *Léon.*[84] On the other hand, it may be too simplistic to dismiss these films out of hand as

[83] Graeme Hayes and Martin O'Shaughnessy, "French Cinema, Globalization, Representation, and Resistanc", *French Politics and Society, Vol 23, No.3, Winter 2005.* p. 1

[84] Emmanuel Cocq and Patrick Messerlin, "The French Audiovisual Policy: Impact and Compatibility with Trade Negotiations", 18

'un-French' simply because they use an international cast speaking in English. American films had been part of the French cinematic landscape for the better part of a century, so it is not surprising that many French filmmakers feel their influence. Therefore, why is it that when Hollywood genre conventions crop up in films by Truffaut and Godard, no one questions the cultural authenticity of those films, but when they appear in a Luc Besson film, people are quick to cry, 'sell-out'?

However, it is also the case that French film policy is riddled with loopholes and inconsistensies in its implementation. The recent case of the box office hit *A Very Long Engagement* how controversial national definition can be, particularly when large sums of money is involved. When the CNC ruled that the film qualified it for the *compte de soutien,* a group of French producers went to court to contest the ruling, arguing that the film, despite having a French director, scriptwriter, technicians and actors speaking in French, was filmed and post-produced in France, was *not* French because it was produced by a company 32% owned by Warner Brothers. Astonishingly, the court sided with the producers and ruled that the film was not eligible to receive the 3.5 million euros due to it from the *compte de soutien.*[85] However, Oliver Stone's *Alexander*, shot in Morocco in English with English-speaking actors, did qualify for French support because it was produced by

[85] Jonathan Buchsbaum, "'The Exception Culturelle is Dead.' Long live Cultural Diversity: French Cinema and the New Resistance" p. 17

the French studio Pathé![86]

This brief survey into French film policy demonstrates the tension between industry and cultural demands. In order to capture a larger share of the national box office, film policies often have to favour blockbusters produced by large conglomerates. Imposing too narrow a definition upon national cinema—for example, by insisting that only certain modes of production (independent, artisan projects) or certain types of films (auteurist) count as French is to demonize a large part of the film industry. On the other hand, opening up the definition of national cinema too widely threatens to empty the concept of cultural content so that a French film means nothing more than a film financed by a French-based company, as in the case with those French-financed Hollywood films. In the next section, I will show that the evolution of film policy in Canada over the past forty years is also fraught with tensions between achieving industry and cultural development.

Film Policy in Canada

Feature film output in Canada was negligible until the late 1960s, with annual output ranging from one to eleven films a year between 1960 and 1968.[87] Until the

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[86] Ibid. p. 17

[87] Manjunath Pendakur, *Canadian Dreams & American Control*, (Detroit: Wayne State University Press, 1990) 144.

1970s, many film talents such as Sidney Furie and Norman Jewison have had to emigrate to England or America to develop their careers. The origin of a distinctly Canadian filmmaking tradition started with the creation of the National Film Board of Canada (NFB) in 1939.[88] Headed by famed British documentary filmmaker John Grierson, the organization specialized in the production of documentaries that dealt with Canadian subject matters. In the 1960s, several feature-length documentaries made at the NFB became critical and commercial successes, which alerted the nation to the fact that feature filmmaking was a viable option for the country, and calls began to be made to the government for the support of a Canadian film industry.[89]

In response to pressures from filmmakers and distributors, the government eventually established the Canadian Film Development Corporation (CFDC) in 1967 to support an indigenous feature film industry.[90] Modeled on the National Film Finance Corporation in the United Kingdom, the CFDC was to invest in Canadian feature film productions in return for a share in the proceeds that the film generated. The state acted as a venture capitalist, investing in productions that were likely to be profitable. By creating the CFDC, the government made a clear distinction between commercial cinema and non-commercial film forms such as shorts and documentaries, which remained under the aegis of the NFB, thereby reifying the distinction between

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[88] Jim Leach, *Film in Canada* (Ontario: Oxford University Press, 2006), 12
[89] Ibid., 26
[90] Manjunath Pendakur, *Canadian Dreams & American Control*, 146-7

culture and economics.[91] Despite its emphasis on profit making, of the 103 projects the CFDC invested in between 1968 and 1978, only five returned a profit to the corporation.[92] Yet the main reason for the box-office failure of most Canadian films had less to do with their quality than access to exhibition.

Even though most of the country's theatre chains were Canadian owned, they had long-standing exhibition arrangements with major American studios and their distribution subsidiaries. Exhibition windows, especially during the more popular movie-going periods such as the summer and major holidays, were locked up a year or more in advance by potential blockbusters from studios. In addition, as a result of block-booking practices, lower-grade films from the studios also occupied playing time on major circuits.[93] Only when studio films did not perform as well as expected were other films slotted in as fillers in the schedule, but those were often not the best play dates on the schedule. Hence, with the major theatre chains controlling most of the first-run theatre screens in the country, particularly in the most profitable metropolitan areas,[94] it was difficult for Canadian-made feature films to reach their national audience.

Another problem area for Canadian films in the supply chain was distribution.

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[91] Jennifer L. Gauthier, *Split Screen: National Cinema, Cultural Policy and Identity in Canada*, PhD Thesis, George Mason University, 2002, 119
[92] Manjunath Pendakur, *Canadian Dreams & American Control*, 151
[93] Ibid., 120
[94] Ibid., 112

The main distributors—Paramount, Universal, MGM, Warners, Columbia and Fox--were owned by the major studios and mainly distributed their products. Of the more than one hundred Canadian features produced between 1967 and 1977, only fifteen were distributed by the majors, while the rest were handled by independent distributors. As mentioned above, it was difficult for independent distributors to secure good play dates for their films, but even the Canadian films that were picked up by American distributors were often side-lined in favour of the studios' own productions. In addition, the Canadian distributors found it difficult to obtain separate Canadian rights for many foreign films, since American distributors typically included Canada in their distribution agreements, using the leverage of a larger market to entice foreign sales agents.[95] In effect, the major American conglomerates treated Canada as a colony within the greater North American market, which had a detrimental effect on the development of the Canadian distribution sector.

These limitations eventually drove thousands of industry workers, unions and industry professionals to lobby the government for state intervention in order to achieve national determination of the film industry. In 1973, they formed the Council of Canadian Filmmakers to persuade the government to impose quotas on foreign films and a special tax on the earnings of American majors in Canada.

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[95] Anthony Leong et al, "The Film Distribution Industry in Canada", http://www.mediacircus.net/filmdis1.html, accessed 18 December 2006

However, the powerful US motion picture lobby, the Motion Picture Export Association of America (MPEAA) was able to convince the Canadian government not to pursue film quotas and cinema tax by promising greater access to the American market for Canadian films.[96] Time and again since the 1970s the US lobby had been successful in blocking any attempt by the Canadian government to restructure film distribution and exhibition in the country, and the problem of screen access still remained to this day. One recent study indicated that only 2.5% of theatres in Canada will play Canadian films.[97] Instead of confronting Hollywood hegemony, Canada chose instead to provide subsidies to indigenous distributors and look for new means to boost production.

In 1974, the government, in response to calls for greater national autonomy in the film industry, introduced the Capital Cost Allowance Program (CCA), which allowed for 100 per cent tax write-offs against investment in Canadian films.[98] The scheme brought new venture capital into the film industry, and many people in the professional fields, such as doctors, lawyers and engineers who were in the 50% tax bracket invested in films to lower their tax burden. As a result of the CCA, the number of feature films produced rose dramatically from 3 in 1974 to 66 in 1979.[99] But many of the films produced under the scheme were never released, either due to

[96] Manjunath Pendakur,, 166.
[97] Anthony Leong et al, "The Film Distribution Industry in Canada"
[98] Manjunath Pendakur,, 170.
[99] Ibid., 172

their poor quality or the inherent problem of screen access.[100] However, ironically it was the more commercially successful films that became the cause for controversy, like the 1979 film *Meatballs*, a raunchy teen comedy set in a summer camp or the 1982 film *Porky's*, a raunchy teen comedy set in Florida circa 1954. Despite being some of the highest grossing Canadian films in history, critics dismissed such films as purely commercial enterprises lacking any identifiably Canadian cultural elements. But if one is to use the definition of national cinema espoused so far in this essay, then one has to admit (however grudgingly) that they, too, represent a part of Canadian national cinema. Yet given the overarching importance of film policy upon indigenous film production in Canada, it is legitimate to ask whether such films ought to be the only kind of Canadian films available. Not only were many films produced under CCA culturally undistinguished, they were not very useful for developing Canada's film industry, for most of the profits ended up going to American studios. For example, *Meatballs* was subsequently sold to Paramount Pictures, and ended up grossing millions at the box office.[101] Another film, *Running* (1979), starring American actors Michael Douglas and Susan Anspach, received CFDC funding due to a point system that gave credit to creative personnel of Canadian origin including actors, writers, directors and producers. Many Canadians

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[100] Ibid., 178

[101] The film eventually earned US$43 million at the box office, most of it in America. Source: Wikipedia. http://en.wikipedia.org/wiki/Cinema_of_Canada, accessed 19 December 2006

bemoaned the fact that Canadian tax dollars were used to subsidize what were essentially American films as well as the denigration Canada's national image when it became known as the B-movie capital for churning out various derivatives of popular American genre films.[102] This led eventually to the scrapping of the CCA scheme.

In the mid-1990s, Canada re-fashioned the CCA into the Canadian Film or Video Production Tax Credit, which reimbursed producers on a portion of their expenses, and the Film or Video Production Services Tax Credits, which specifically targeted so-called runaway productions from America.[103] In the transition from CCA to the tax credit schemes, Canada's film policy had shifted from cultural creation to job creation. The policy transformed Canada into a branch plant for American studios[104], attracting American film productions to be shot in Canada. These so-called runaway productions had the perverse effect of de-nationizing Canada cinematically. In many of these films Canada stands in for America, and Canadian streets are dressed to look American, with Canadian newspaper boxes and phone booths replaced with American ones. In a country already inundated with US media and images, it was ironic that the government's film policies contributed to the collective perception that Canada was the fifty-first state of America.

Some attempts to tackle the chronic distribution problem were made in 1988

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[102] Manjunath Pendakur,, 186

[103] Canadian Heritage. *A Review of Canadian Feature Film Polic~ Discussion Paper*, February 1998, http://www.pch.gc.ca/progs/ac-ca/pol/cinema-film/pubs/econtent.htm, accessed 19 Dec 2006.

[104] Manjunath Pendakur,, 188

with the adoption of the Film Distribution Policy. The original legislation contained clauses that limited the majors to distributing only those films for which they held proprietary rights (world rights or films in which they had made a substantial financial investment), but vigorous lobbying by the MPEAA again proved successful in significantly watering down the legislation.[105] In the end, the law contained grandfather clauses that maintained the existing market domination of the American majors. However, the adoption of the policy did help a number of indigenous distributors enter the market, among which is Alliance Releasing (later Alliance Atlantis), which had since become one of the most prominent art house distribution companies in North America.

The aspiration to creating a national cinema continued with the establishment of a feature film fund, administered by Telefilm Canada, which was refashioned from CFDC in 1986. The new name reflected the organization's commitment to improving Canadian access in television as well as film. While Telefilm's funding had made possible a vibrant Canadian television industry thanks to broadcasting legislation that specified 35% Canadian content[106], film policy remained a problematic area, with American films capturing up to 98% of the domestic box

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[105] Peter Morris, "Film Distribution in Canada", *The Canadian Encyclopedia* online, http://www.canadianencyclopedia.ca/index.cfm?PgNm=TCE&Params=A1ARTA0002805, accessed 19 December 2006

[106] Janet Fine, book review of *Hollywood North: Creating the Canadian Motion Picture Industry*, http://www.tbsjournal.com/Archives/Fall03/Fine_Hollywood.html, accessed 10 June 2007

office.[107] In 2000, the federal government, after an extensive consultation process that involved policy makers, filmmakers, industry professions and the general public, announced a new feature film policy. Entitled 'From Script to Screen', the new plan doubled federal investment towards feature film production, and aimed to capture 5% of the domestic market within five years, up from the current level of 2-4%.[108] This target was narrowly missed, and the domestic take of the box office stood at 4.3% in 2006, but this figure belied the wide discrepancy between English Canada and Quebec. In the former, domestic films managed to attract only 1.9% of the total box office, while in Quebec, because of the language barrier and popular support for indigenous films, the figure was 17.2% in 2006.[109] In another sign that Telefilm's film policy was not working, at least for English Canada, was the decision by Alliance-Atlantis, the country's largest producer of film and television and the recipient of tens of millions of dollars in state subsidy via various Telefilm programs, to close its production arm in 2003.[110]

Telefilm's recent market-oriented approach had drawn criticisms that it had

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[107] Jennifer L. Gauthier, *Split Screen: National Cinema, Cultural Policy and Identity in Canada*, 321

[108] Ibid, 355

[109] Box office down for Canadian films in 2006, http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/20061211/cdn_films_061211/20061211?hub=Entertainment, accessed 19 December 2006

[110] Denis Seguin, "Where the reel money is made in Canadian film", *Canadian Business*, 13 Sept 2004, Vol. 77 Issue 18, 29. The situation in Quebec is the opposite of English Canada, and equally problematic. With Quebec films capturing some 18% of box office, the industry is booming and as a result production costs have outpaced subsidies. With a small market and little potential for foreign sales, Quebec films are not viable without state subsidies. The province is once again contemplating setting up a box-office levy to help subsidize the industry, but will likely encounter stiff resistance from US majors, as was the case a generation ago.

focused too much on industrial/economic objectives and not sufficiently on cultural ones.[111] By emphasizing domestic box office share as its main goal, the policy downplayed cultural considerations. Indeed, the new policy never explicitly mentioned 'national identity', and relegated auteur driven projects into the low budget funding category while prioritizing higher budget commercial films.[112] In recent years, Telefilm introduced a "performance envelope" system that gave credits to producers of films that have performed well at the box office. Driven to make commercially successful films, Canadian producers have begun to churn out Hollywood-style genre films like science fiction or horror films, just as they did in the 1970s.[113] But with a much smaller production and promotion budget than their Hollywood counterpart and no recognizable stars, such films often failed at the box office. Given the cultural similarity between the United States and Canada, the cultural discount factor is almost nil for American films in English Canada, so it was not surprising that Canadian audiences preferred the higher budgeted and well promoted American products. In reifying the dichotomy between 'art' and 'commerce' while favouring the latter, Canada's feature film policy have created scores of artistically undistinguished films that were also commercial failures.

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[111] James David Dean Piecowye, "The Contradictions of Culture and Commerce in Telefilm Canada's feature Film Fund 1981-1998, PhD Thesis, University of Montreal. April, 2002, 196

[112] Ibid., 356

[113] Rym Ghazal, "Hollywood Dreaming", *Capitalnews Online*, Vol. 14 No. 3 March 5, 2004 , http://temagami.carleton.ca/jmc/cnews/05032004/n7.shtml, accessed 10 Feb. 2007

In any case, the obsession over domestic box office figures revealed an inherent bias in cinemas as an exhibition site, ignoring the fact that Canadians watch far more films at other locations, such as television or on video.[114] According to Andrew Higson's conception of national cinema, it encompassed all aspects of production, consumption and exhibition[115], and the claim that the space of film was the cinema may be an increasingly arcane one in the age of digitization and globalization.[116] Film policy ought to reflect the heterogeneity of viewing conditions as well as the international reception of the national cinema. By contrast, France's film policy already takes into account television as one of the main sites of consumption for films, and requires television stations to contribute financially to film productions. In Canada, the government continues to be the main sponsor of Canadian cinema, and the recent funding crunch in Quebec (due to rising costs and the increase in the number of projects seeking funding which, ironically, is a result of the success of that province's cinema[117]) shows the weakness of this funding model. Canadian film policy privileges theatrical exhibition both in its stated objective to capture a certain percentage of the box office and in the type of projects it funds. Yet by allowing the structure of American-dominated distribution system to remain, the policy may be

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[114] Charles Arcand, *Screen traffic : movies, multiplexes, and global culture* (Durham : Duke University Press, 2003), 183.
[115] Andrew Higson, *Waving the flag, Constructing a National Cinema in Britain* (Oxford: Claredon Press, 1995), 8
[116] Charles Arcand, *Screen traffic : movies, multiplexes, and global culture*, 194
[117] Denis Seguin, "Where the reel money is made in Canadian film", *Canadian Business*, 13 Sept 2004, Vol. 77 Issue 18, 29

doomed to failure.

With its emphasis on sustaining a viable, theatrically based film industry, the cultural aspect of cinema is relegated to the sidelines. As mentioned above, Telefilm Canada relegates cultural films to a lower funding category. In addition, many of the cultural agencies including the Ontario Arts Council and Canada Council that have given many artistically distinguished filmmakers such as Atom Egoyan, Bruce McDonald and Patricia Rozema their start, have all had their budgets slashed since the 1990s.[118] Yet over the last twenty years, it had been the edgy and culturally distinctive films made by these directors that had garnered the most acclaim for Canadian cinema on the world stage, as well as being commercially successful. For example, Winnipeg auteur Guy Madden's *The Saddest Music in the World* (2003) earned only $200,000 in Canada, but its world-wide gross was well over $1 million.[119] By not taking into account worldwide box office in calculating performance envelopes, Telefilm's funding policy ignores the international reception of national cinema. As Thomas Elsasser notes of New German Cinema, national cinemas are sometimes invented abroad and re-imported into their home countries to be recognized as such.[120] National cinemas are not limited to the nation but are also

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[118] Laura Lind, "Show Me the Mountie", *Eye Weekly*, 3 July 97, http://www.eye.net/eye/issue/issue_07.03.97/film/reellife.php, accessed 19 December 2006

[119] Denis Seguin, "Where the reel money is made in Canadian film", *Canadian Business*, 13 Sept 2004, Vol. 77 Issue 18, 33

[120] Tom O'Regan. P. 58

intrinsically international, appearing at home as mundane cinema but abroad as 'other' cinema, and valued for their cultural difference. The failure of Canada's film policy lies in its inability to find a balance between sustaining a film industry and nurturing a distinct culture. At the same time, its American dominated distribution sector has made it difficult for English-language Canadian films to find an audience on screen, while French Canadian films have become a victim of its own success, with public funding unable to respond in a timely way to rising costs and audience demand. Finally, film policy in Canada does not adequately take into account the varied sites of reception of its national cinema. Compared to Canada, Korea's film policy is more successful in helping the industry achieve a national audience through stimulating production while using screen quotas to guarantee screen time for Korean films.

Film Policy in South Korea

The Korean film industry, after a period of relative prosperity in the 1950s and 1960s, fell into a decline in the 1980s and early 1990s, mainly as a result of restrictive government film policies.[121] From the 1960s to 1980s, the government tightly

[121] Dal Yong Jin, "Cultural Policies in Korea's Contemporary films under neoliberal globalization", *Media, Culture and Society*, Vol 28(1), p. 7

controlled the cultural industries, including cinema, through regulation and ownership requirements. Film producers and production companies, for example, had to be registered with the government,[122] and films scripts had to be pre-approved before being granted the permission to shoot. Politically sensitive topics were heavily censored,[123] and the government at times even induced filmmakers to include official propaganda into their films.[124] The effect of these restrictions was that the film industry was unable to grow, much less prosper. Film attendance fell into a record low of 47 million in the 1980s, and the number of screens decreased from a high of 717 in 1971 to 640 in 1986.[125]

Under pressure from the US, Korea began to liberalize the market for imported films in the late 1980s. Korea amended its Film Law and allowed, among other things, US production companies to establish branches in Korea, abolished the price limitations on imported films and the import quota system, as well as getting rid of the limitation on the number of copies of a foreign film that could be imported.[126] This opened the way for the direct distribution of Hollywood films by US companies in 1988. Within a few years Hollywood films flooded into the Korean market,

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[122] Ibid. p.8
[123] Darcy Paquet, "A short history of Korean film", http://www.koreanfilm.org/history.html, accessed 15 Nov 2006.
[124] Cinema of Korea, Wikipedia, http://en.wikipedia.org/wiki/Cinema_of_Korea, accessed 15 Nov 2006.
[125] Dal Yong Jin,. P.7-8
[126] Yeong-jae Choi, "WTO and Korean Film Culture", *Korean Film Observatory*, No.8, Spring, 2003, 2

leading to the near collapse of domestic films, whose market share fell from 30-40% in the 1980s to 15.9% in 1993.[127]

At around the same time, Japanese firms such as Sony and Matsushita began investing in the US media companies in the hope of creating synergy between electronic hardware and media content. This prompted Korea into investigating the market potential of the cultural industries for Korean conglomerates. In 1994, the Presidential Advisory Board on Science and Technology released its first report concerning the application of digital technology in economic development. The report pointed out that the gross revenue (including world-wide box office and spin-off product sales) of a film like *Jurassic Park,* which was made possible with the aid of digital technology, was worth the foreign sales of 1.5 million Hyundai cars.[128] The comparison between the earnings of *Jurassic Park* and Korean cars was widely reported in the media and caught the public's imagination, forging a common consensus regarding the need to promote Korea's media industry.[129]

In 1995, the government enacted the Motion Picture Promotion Law, which provided diverse incentives such as generous tax breaks to introduce corporate investments into the film industry. [130] The *chaebol* or large conglomerates such as

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[127] Ibid., 3
[128] Doobo Shim, "South Korea Media Industry in the 1990s and the Economic Crisis", *Prometheus*, Vol 20, No. 4, 2002: 340.
[129] Ibid., 340
[130] Ibid., 341

Samsung, Hyundai, Daewoo and LG all began to invest in the film industry as producers, importers, distributors and exhibitors.[131] The *chaebol*'s investments also spurred an increase in the number of local film productions, among which was the action adventure *Shiri*, funded by Samsung, which became the highest grossing Korean films in history, and was credited as the film that ushered in the so-called Korean wave.[132] However, not all of their business ventures in the industry turned out to be well judged. Korean companies competed heavily for distribution rights to Hollywood films, paying amounts far in excess of other countries in the region. In the mid-1990s, Korea paid five times more than Japan and eight times more than Taiwan for the same film title.[133] When these films failed at the box office, the *chaebol* incurred huge losses. In addition, many of the big budget Korean films produced by the *chaebol* also lost money.[134] Following the Asian Financial Crisis in 1997, many *chaebol* were forced to restructure their businesses, and were reportedly pressured by the government to divest their loss-making film subsidiaries.[135]

Paradoxically, the exiting of the *chaebol* from the film industry turned out to be a blessing in disguise for Korean film production, as venture capitalists moved in to fill the gap. Government policy also contributed to the flood of venture capital into

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[131] Ibid., 343
[132] Dal Yong Jin, "Cultural politics in Korea's contemporary films under neoliberal globalization", *Media, Culture & Society*, Vol 28(1): 16
[133] Doobo Shim, "South Korea Media Industry in the 1990s and the Economic Crisis",: 345
[134] Dal Yong Jin, "Cultural politics in Korea's contemporary films under neo-liberal globalization": 17
[135] Ibid., 18

the film industry. As a result of the 'New Economy Five-Year Plan' of 1993, investments in the film industry was entitled to tax and financial benefits.[136] Another factor was the Cultural Industry Basic Law that the Kim Dae-jung administration promulgated in 1999. It affirmed the government's commitment to "developing culture as a key strategic industry in the knowledge-based society of the future."[137] A total of $148.5 million was allocated to assist the film and broadcasting sector.[138] Taking the government's lead, investment companies poured money into film productions in the hope of fast profits. Within a few years venture capital was responsible for such box office hits as *Friends* (2001) and *My Sassy Girl* (2002), as well as such art house favourites as Chunhyang (2000), the first Korean film to enter the Competition Section at Cannes International Film Festival. The investment companies also set up film investment funds that allowed the public to invest in several productions over a set number of years, upon which the fund was dissolved and profits divided among all the investors. To minimize the risk to investors, 30-50% of the fund could be invested in other financial articles, such as stocks. [139] Another attraction for private investors was that public institutions such as the Small Business Corporation and the Korean Film Commission also invested in

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[136] "The Transition in Korean Film Production Capital", *Korean Film Observatory*, summer 2002, no. 05: 16.
[137] Doobo Shim, "South Korea Media Industry in the 1990s and the Economic Crisis",: 347.
[138] Ibid.,347
[139] "The Transition in Korean Film Production Capital", *Korean Film Observatory*, summer 2002, no. 05: 18.

such funds as special co-partners, which meant that they would absorb losses should it occur.[140] The robust performance of the Korean stock market also contributed to a glut of money seeking new investments.[141] As a result, hundreds of millions of dollars became available for film production, fuelling the phenomenal growth of the Korean film industry. The number of film productions had continued to increase in the past few years, and in 2006, there was a record one hundred domestic films released.[142]

The downside to this flood of liquidity was that investment funds were only motivated by profits, and put their money mainly in highly commercial films. Another issue concerning high liquidity is the rise in production budget--the average budget for Korean films went up more than 400% between 1996 and 2004, thus lowering their profitability.[143] These high budget films tended to dominate the box office, making it hard for small and medium sized- budget films to find an audience. The box office performance of the films of director Kim Ki-duk, an internationally renowned auteur with a cult following around the world, provides an interesting illustration. Kim's twelfth feature, *The Box*, only attracted a dismal 1398 viewers in the whole of Korea during its 2005 release, leading the director to contemplate never

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[140] Ibid., 19.
[141] Moon Seok, "Increased Production, Decreased Profitability?", *Korean Film Observatory*, No.19 Autumn 2006: 14
[142] Moon Seok, "Increased Production, Decreased Profitability?", *Korean Film Observatory*, 14.
[143] Mee-hyun Kim, Doh Dong-joon, "Review of the Korean Film Industry in 2005, *Korean Film Observatory,* No. 18, Spring, 2006: 34

having his films shown in Korea again. While his next film, *Time* (2006) did better with 30,000 admissions during its first four weeks in release, it fell far short of the director's expectation of 200,000 admissions,[144] and paled in comparison with the twelve million plus admissions enjoyed by the year's top film, *The Host.* [145]

Some critics question whether films like *The Host*, which was released in over six hundred screens nation wide--a third of the total number of screens in the country--monopolized film exhibition.[146] This issue is a particularly salient one for Korea, since it was one of the prime movers, along with France and Canada, behind UNESCO's Convention on the Protection and Promotion of the Diversity of Cultural Expressions, adopted in 2005.[147] According to the convention, states have "the sovereign right to adopt measures and policies to protect and promote the diversity of cultural expressions within their territory."[148] The convention represented a victory for Korean film professionals and cultural workers working behind the scenes on the convention, who had long used cultural diversity as the reason to justify the imposition of the screen quota in the country. It would be potentially embarrassing if Koreans are actively promoting diversity abroad while allowing screen diversity to

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[144] Seung-hee Han, "*Time* at the Korean box office", *Korean Film Observatory*, No. 20, Pusan Special, 2006: 6.
[145] Kim Soo-kyung, "What the Commercial Success of *The Host* Has Given Us", *Korean Film Observatory*, No. 20, Pusan Special, 2006: 10
[146] Ibid., 11
[147] IM Bum, "The Screen Quota, the Meaning and the Future", *Korean Film Observatory*, No. 18, Spring, 2006: 11.
[148] UNESCO, Convention on the Protection and Promotion of the Diversity of Cultural Expressions, Article 2.

decrease at home due to oligarchic release practices.

The screen quota, first introduced in Korea in 1966, is seen by many film industry professionals as the key to the revival of Korean films in the 1990s.[149] The quota required theatres to show Korean films for 146 days per year. At first many local theatres failed to comply with the law, but many film professionals formed watchdog groups to monitor theatres[150], which provided the first step to their politicization. To gain greater access to Korean screens, American media conglomerates lobbied the US government to put pressure on Korea to put an end to screen quota. During negotiations on the Bilateral Investment Treaty (BIT) in 1998, the US included in a draft of the proposed treaty stipulations that would render screen quotas illegal. The Kim Dae-jung administration, eager to attract foreign investment to Korea, signaled its intention to comply with US demands.[151] The film community united in a nationwide protest against abolishing the screen quota. At first the government under President Roh Moo-hyun was sympathetic to the film industry, but when US trade negotiators dangled the bigger carrot of a bilateral free trade agreement, which offered greater economic benefit to Korea than the BIT by opening up the US market to a wide range of Korean products, the Korean government finally

[149] Yeong-jae Choi, "WTO and Korean Film Culture", 3
[150] IM Bum, "The Screen Quota, the Meaning and the Future", 10
[151] Ibid., 3

gave in, halving the screen quota from 146 days to 73 from July 2006.[152]

For years, Korean film professionals and critics claimed that the screen quota contributes to cultural diversity, for without it Korean screens will be flooded with Hollywood films. Yet with Korean films securing a comfortable 59% of total box office in both 2004 and 2005[153], the argument rang increasingly hollow, which may have been one of the main reasons for the eventual reduction in the screen quota. And if one were to take the concept of cultural diversity seriously, it should not be equated solely with the preservation of nationally produced cultural products within that country, but with the qualitative and quantitative diversity of the production and consumption of cultural goods and services.[154] As Andrew Higson once noted, "cultural diversity within a national film-culture may just as easily be achieved through encouraging a range of imports as by ensuring that home-grown films are produced."[155]

Some studies suggest that with cultural products such as films, demand is conditioned by supply, and that supplied diversity and consumed diversity are positively correlated.[156] In other words, film consumers make their choices based on the products available on the market, and this demand for diversity could be stifled by

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[152] IM Bum, "The Screen Quota, the Meaning and the Future", 11
[153] Mee-hyun Kim, Doh Dong-joon, "Review of the Korean Film Industry in 2005", *Korean Film Observatory*, No. 18, Spring, 2006: 35
[154] Francois Moreau and Stephanie Petier, "Cultural Diversity in the Movie Industry: A Cross Cultural Study", *The Journal of Media Economics*, 17(2): 128.
[155] Andrew Higson, "Limiting Imagination of National Cinema", 71
[156] Ibid., 123.

a shortage of supply. So it is worth looking at how diverse the film market is in Korea.

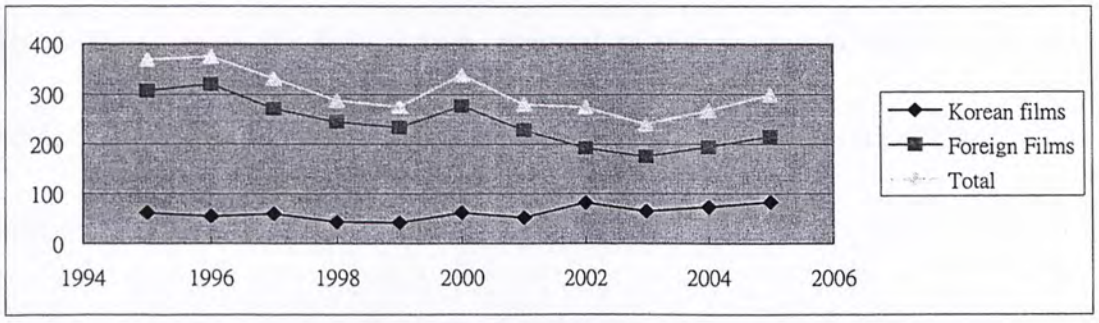

Figure 1. Korean and Foreign Films released by Year.[157]

Figure 1 shows the number of foreign and domestic films released in Korea from 1996 to 2005. The trend indicates that, some yearly fluctuations not withstanding, there is a steady increase in the number of domestic films released, which rose from 62 in 1995 to 83 in 2005, while the number of foreign films released dropped from a pre-Asian Financial Crisis high of 320 to 175 in 2003, before rebounding in the subsequent two years. In terms of the total number of films released, there is a downward trend mainly due to the fall in the number of foreign films released, although its number has rebounded slightly in 2004 and 2005.

One indicator of consumed diversity can be measured by looking at the proportion of the top ten films of a country as a percentage of total box office admissions. It shows that the figure in Korea has been well above figures in the

[157] Source: *Korean Film Observatory*, No. 18, Spring, 2006: 35

United States and the European Union, indicating greater concentration on a small number of box office hits.[158] Against this it can be noted that there is an increase in the number of small-budget films produced. While only three films costing less than 100 million won (US$100,000) were produced in 2004, seventeen such films were made in 2005.[159] Many of these films were publicly funded, and represented a deliberate effort to increase film diversity in Korea.

The government provides support to the film industry through the Korean Film Council (KOFIC). Its annual budget of US$40 million[160] is spread out over a variety of programs that cover everything from script development and production to distribution. Of particular note are production support for low-budget art films and production and distribution support for independent digital feature films, aimed at increasing screen diversity in the country. Other programs such as the fiction film scenario contest and post-production support for student films are intended to nurture new industry talents.

Looking at the films produced in Korea today, they include a variety of genres including romantic comedies, horror, police dramas, monster films, war films, historical dramas, even musicals. From this perspective they can be said to reflect

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[158] Francois Moreau and Stephanie Petier, "Cultural Diversity in the Movie Industry: A Cross Cultural Study", 137

[159] Mee-hyun Kim, Doh Dong-joon, "Review of the Korean Film Industry in 2005", 35

[160] 2003 figures, Source: "For Korean Films and Cultural Diversity", *Korean Film Observatory*, No. 8, Spring, 2003: 10

screen diversity. Yet some critics charge that in terms of narrative conventions they merely subscribe to the classical Hollywood narrative mode of temporally and spatially coherent stories, goal-oriented plots that centre on the individual protagonist, bipolar dichotomy (good versus evil), emphasis on emotional effects, standardized plot structures stressing climax and resolution.[161] By way of contrast with current Korean film, it is worth remembering that briefly during the 1980s, a National Cinema Movement (NCM) sprang up in Korea in response to the brutal military suppression of a popular uprising in which over 2000 civilians were killed.[162] NCM films were intensely political works that were vehicles of national self expression and resistance to both Hollywood hegemony and government monopoly over film distribution.[163] Freely mixing documentary and fiction forms, the NCM films employed multiple characters and storylines and dispassionate camera shots to depict stories of class struggle and popular resistance. NCM was not simply a fringe radical movement, but enjoyed wide support among students and workers. For example, the 1990 film *Parup Jeonya* (*The Night Before the Strike*), a powerful indictment of working-class repression, was shown to more than 200,000 people

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[161] Eungjun Min, "Political and Sociocultural Implications of Hollywood Hegemony in the Korean Film Industry: Resistance, Assimilation and Articulation", Lee Artz and Yahya R. Kamalipour, eds., *The Globalization of Corporate Media Hegemony* (Albany: State University of New York Press, 2003), 248.
[162] Ibid., 251
[163] Ibid., 253

within three weeks despite government crackdown.[164]

The commercial imperatives dominating the film industry today mean that the revolutionary aesthetics and practices of the NCM are no longer viable to Korean filmmakers. Yet it may be facile to dismiss all Korean films today as just a slavish imitation of Hollywood. While many Korean films today are undeniably formulaic and borrow heavily from popular Hollywood genres, they often turn Hollywood conventions on their ears and co-opts them for their own purposes. For example, the recent mega-hit *The Host* is not just a regular monster sci-fi film in the American mode, but centres on an un-conventional anti-hero and his idiosyncratic and distinctly Korean family. Much of the humour in the film is specific to Korea, as is the premise of the film, which comments on American military presence in the country. It is even possible to read the film, in which the monster is the result of chemical pollution by an uncaring US military, as a socio-political allegory about Korea and its cinema, in which the local underdog triumphs against a dreaded behemoth of globalization.

The films of the New Korean Cinema readily mix Hollywood conventions with the sensibility of modern Koreans, creating hybrid cultural forms that provide the means for self-definition.[165] The rise of the New Korean Cinema coincided with the

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[164] Ibid., 255

[165] Jeeyoung Shin, "Globalisation and the new Korean cinema", Chi-Yun Shin &Julian Stringer ed., *New Korean Cinema*, (Edinburgh: Edinburgh University Press, 2005), 57

fall of the military government that had ruled South Korea for decades and the election of the first civilian president in 1992, which marked the birth of a freer, more democratic society.[166] For many Koreans, cinema represented one of the more vibrant and compelling means of cultural expression and identification, which draws from Hollywood ideologies of democracy and individualism.[167] Seen in this light, the populism of the New Korean Cinema represents not a capitulation to capitalism, but a means of engaging with the emerging consciousness of a newly democratic country.

The uneasiness over the relentless commercialism of Korean films reveals a major pre-occupation of film policies in the age of neo-liberalism, namely, whether arguments about cultural diversity are merely an excuse to justify cultural protectionism or if it really signals a genuine commitment to providing alternate cultural visions not just at home but internationally. It should be remembered that Korea's film policy is part of an overall cultural policy that includes other cultural industries including music, software and animation, for which economic considerations often outweigh cultural ones.[168] National cinema in Korea participates in the project of nation building (a la Gellner) not via ideological conscription, but through the mastering and exporting of various kinds of

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[166] Ibid, 4

[167] Eungjun Min, Jinsook Joo and Han Ju Kwak, *Korean Film—History, Resistance and Democratic Imagination*, (Westport: Praeger Publishers, 2003), 151

[168] Hyunjoon, Shin & Lee Jung-yup, "What has Korean Government Done to promote 'Korean Wave'?: Cultural Policy in Korea for the last 10 years", paper presented at the Conference on "China and Korea: A New Nexus in East Asia?", Lingnan University, May 30-31, 2007

technological skills—visual narrative, graphical interface, etc.—that are part of modern citizenship.[169] This line of argument, along with that of cultural diversity, allows one to temper the charges of cultural chauvinism and parochialism that are often leveled at national cinema by freeing it of ideological functions. Rather, cultural and economic self-determination are already sufficient grounds to justify film policy in support of national cinema.

Policy Implications for Hong Kong

This cursory look at the film policies of France, Canada and Korea brought up a number of important issues for the still evolving film policy in Hong Kong. To a greater or lesser extent, all three countries have had to contend with the domination of the American film industry. To compete, these countries often have to imitate Hollywood in terms of styles, genres narrative structures, scales of production and marketing strategies. The big budget spectacles produced in France, a well as the Hollywood-styled genre films produced in Canada and Korea are examples of these tendencies. Film policy is meant to support national cinema, but when the films produced are 'merely' Hollywood clones, many question the justification for those policies. On the other hand, when those films lose money, criticisms are often

[169] Ian Jarvie, "National Cinema, a theoretical assessment", 82

leveled at governments for wasting tax payers' money on films nobody wants to see.

These criticisms point to what Tom O'Regan refers to as two 'vocabularies of value', one pointing to cultural value while the other connects culture and commerce, and agents use both kinds of vocabularies to promote national cinema.[170] For O'Regan, even though the two vocabularies champion different kinds of national cinema, there is no need to choose between one or the other. National cinema is not simply art house or commercial cinema, but both and a great deal more. Since Hollywood encompasses a substantial part of the reception of these national cinemas, it is both natural and unavoidable that they bear its influence. Sometimes, cultural specificity can be found in the myriad ways national cinemas adapt and transform these influences, while at other times it appears at the margins, in art or experimental cinema. This type of formulation recognizes the multiplicity of cinemas within the national cinema spectrum, and acknowledges that culture is not the sole domain of art cinema, but is also operative in commercial cinema. In the end, devaluating one type of films while championing others within a national cinema reveals more about the individual biases of commentators than the nature of national cinemas.

All three of the national cinemas surveyed have had to grapple with the polarization of the box office in recent years, with big-budget films taking a greater

[170] Tom O'Regan, *Australian Cinema*, 111

and greater share of film receipts. As will be discussed in the next section, this is also of growing concern in Hong Kong. All over the world, the business of cinema exhibition had become a game of winners take all—while blockbusters take up the lion's share of the box office, smaller films are being squeezed out. More importantly, films that most reflect national specificities—the art films, the independent films or films that cater primarily to the domestic audience—tend to fall into this budget category, so the loss of this segment represent a great loss of cultural diversity. Film policy can help increase diversity by encouraging indigenous productions. Government subvention in this area is often justified by the need to correct market failure by producing films that might otherwise not be economically feasible. Traditionally this argument had been used to champion art cinema, but in view of the problem of box office polarization, film policies are increasingly used to encourage indigenous, popular cinema.

The underlying assumption of film policy is that a nationally based film industry is conducive to the cultural expression of that country. As Susan Hayward notes, film narratives can 'confront the spectator with an explicit or implicit textual construction of the nation'.[171] In other words, cinematic texts can be used to express the overriding themes, ideologies, myths, social issues and concerns of that nation.

[171] Susan Hayward, *French National Cinema*, 9

Moreover, certain film genres often have national origins, related to the geo-political circumstance of that nation (for example, the western as a specifically American genre), but even when they are not nationally generated, genres are characterized by national idiosyncrasies (consider, for example, the image conjured up by notions such as an Indian musical, a French police drama, or a Hong Kong comedy.) Actor's gesturality, codes of behavior and the presence of stars are also expressions of a nation. Many governments recognize cinema as an important part of the cultural landscape of a country, one in which nationally specific narratives can be transmitted, and are thus concerned with helping to sustain a national film industry through policy initiatives. As this brief survey into film policies in France, Canada and Korea shows, sustaining an indigenous film industry while producing culturally distinctive films that can serve as an alternative to Hollywood films can be a fine balancing act. Film policy is one of the battlegrounds on which these debates about national cinema is waged, as policy makers, cultural critics, industry professionals and the general public negotiate the meaning of the term and the kind of national cinema they support. As will be discussed in the next section, the evolution of the Hong Kong film policy sees a shift from an industry centred approach to one that emphasizes film as a form of cultural expression. It will become apparent that accompanying this change is the growing awareness of Hong Kong's cultural identity and the need to preserve its

unique cinema.

Chapter 3

Hong Kong Film Policy

Hong Kong Film Policy Initiatives at a Glance

In 1997, Chief Executive Tung Chee Hwa, in his first policy address, while acknowledging the film industry's past contribution to the Hong Kong economy, pledged governmental support to the ailing industry.[172] Since then, the government has undertaken a number of film-related initiatives, which, taken together, represents the region's film policy[173]. These initiatives can be roughly divided into the following categories: trade promotion, infrastructure support and financial assistance. In addition, the government commissioned a number of studies and consultation papers relevant to the film industry, providing it with information and expert opinion with which to guide future policy.

In 1997, the Trade Development Council started the first Filmart, a trade fair for the promotion and sale of film and television products, which became a yearly event attracting hundreds of exhibitors and thousands of potential buyers from all over the world. Although Filmart exhibitors were not limited to Hong Kong companies, the event nevertheless offered an invaluable opportunity for local producers to showcase

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[172] Lily Kong, "The Sociality of Cultural Industries--Hong Kong's cultural policy and film industry" in *International Journal of Cultural Policy*. Vol. 11, No. 1, 2005. p. 70.

[173] Until April 2007 with the establishment of the Film Development Council, Hong Kong did not have a separate department to look after film related matters, and so initiatives designed to promote and develop the Hong Kong film industry were administered by a number of separate departments.

their products to the world. In addition, TDC also set up trade booths and hold various events to promote Hong Kong films in international film festivals and film markets like the American Film Market and Cannes. For example, the council had hosted several editions of "Hong Kong Night" at Cannes International Film Festival, a press-filled party in which various local film luminaries such as Jackie Chan, Maggie Cheung and Wong Kar Wai spoke out in support of Hong Kong films.[174]

For the past few years, the TDC has also organized the Hong Kong Asia Film Financing Forum (HAF) as a sidebar event to Filmart. Modeled after the CineMart at the International Film Festival Rotterdam[175]and the very successful Pusan Production Plan in Korea, the HAF has provided a platform in which filmmakers with script proposals can pitch their projects to potential investors. Even though the HAF was open to all Asian filmmakers, there had been a disproportionately large percentage of Hong Kong projects, since the forum was financed by the Hong Kong Film Development Fund (see below). In the 2006 edition of the event, for example, 10 out of 25 projects presented were Hong Kong productions (of which one is a Hong Kong/Australia co-production)[176].

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[174] For example, see "Hong Kong Film Industry in the Spotlight at Cannes", 19 April 2001, http://www.tdctrade.com/tdcnews/0104/01041901.htm?w_sid=194&w_pid=703&w_nid=&w_cid=&w_idt=1900-01-01&w_oid=124&w_jid=, accessed 12 June 2007

[175] Laikwan Pang, "Postcolonial Hong Kong Cinema and Its Utilitarian (Trans)Nationalism", *Postcolonial Studies*, 10, #4 (winter 2007), forthcoming

[176] http://www.hkfilmart.com/haf/release6.htm, accessed 13 June 2007

Another area in which the government played an active role was lobbying for the inclusion of films in the Closer Economic Partnership Arrangement (CEPA) with Mainland China. After the SARs outbreak in 2003, the Hong Kong Government and the Mainland administration finally signed the CEPA, which liberalized and relaxed the regulations concerning various sectors of commerce and industry. As a result of the CEPA, theatre ownership requirements for Hong Kong companies were relaxed, allowing them to wholly own and operate film theatres in China.[177] Hong Kong companies will also be allowed to market and distribute films directly in China, and Hong Kong-China co-productions will be counted as domestic films, thus not limited by the twenty films a year restriction on foreign film imports[178]. CEPA also lowered the percentage of Mainland actors that Hong Kong films needed to have in order to be considered a co-production, which was set at 50% prior to 2003, and was subsequently lowered to one third (meaning that only a third of the main cast needed to be Mainland actors.) Under stage 3 of CEPA, Hong Kong co-productions films will be allowed to be distributed in Guangdong Province in its original Cantonese version without having to be dubbed into Putonghua.[179] Even Hong Kong films that are not

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[177] http://www.fso-tela.gov.hk/new/doc/CEPAII-Commitments.pdf, accessed 12 April 2006

[178] "Film Industry Welcomes CEPA", July 10, 2003, http://www.info.gov.hk/gia/general/200307/10/0710283.htm, accessed 14 July, 2007

[179] "Hong Kong Audio-Visual Entertainment Industry", 2 Feb., 2007, http://hongkong.tdctrade.com/content_chi.aspx?data=hk_content_chi&SRC=HK_MaPrFaSh&contentid=135&w_sid=194&w_pid=660&w_nid=10106&w_cid=1&w_idt=1900-01-01, accessed 13 June 2007

co-productions will enjoy greater market access than before.[180]

Infrastructure support represented another important component of the government's film policy. The Film Services Office (FSO) in 1998, administered by the Television and Entertainment Licensing Authority (TELA), was set up to help facilitate film production in Hong Kong by helping film companies secure locations for shooting and obtain the necessary permits. It published an annual Film and Video Production Directory as well as a film location guide, listing various government managed facilities available for rental as film location. In addition, the FSO administered a HK$100 million Film Development Fund (FDF), set up in 1998, earmarked for the "long term development of the local film industry."[181] Among the activities supported by the fund has been the aforementioned HAF, as well as various technical training workshops for amateurs and people wishing to enter the film industry such as a film production workshop and a special effects operators training course.[182] Due to its stringent qualifying criteria, over half of the FDF remained unspent after five years (the original plan was to have the FDF run for five years.) As a result, in 2003, $50 million left over from the original FDF was used to set up the Film Guarantee Fund in order to "assist local film production companies to obtain

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[180] Ilaria Sala, "CEPA and Hong Kong Films: The Mixed Blessing of Market Access", China Rights Forum, No. 4, 2003. P. 1(http://www.hrichina.org/public/content/8721), accessed 15 June 2006
[181] http://www.fso-tela.gov.hk/accessibility/eng/about_us.cfm, accessed 13 April 2006
[182] http://www.fso-tela.gov.hk/fdf/FDF_Case_Eng.pdf, accessed 12 June 2007

loans from local participating lending institutions (PLIs) for producing films."[183] In effect, the fund was used as a guarantee against which film companies can borrow production funding from financial institutions.

In 1998 and 2000, respectively, the Government offered two pieces of land totaling 44400 square metres in Tseung Kwan O for the building of a "state-of-the-art film studio with advanced post-production facilities".[184] The tender was awarded to a consortium consisting of Shaw Brothers, China Star, Jing's Productions and Media Asia, but as the film market continued to dwindle, most of the companies eventually dropped out, leaving Shaw Brothers as the sole investor. The Movie City opened in early 2006 with little fanfare.

Another important aspect of film policy is the combating of piracy, which has became a major priority for the Customs and Excise Department. It has a special anti-piracy task force which spends over HK$150 million a year combating piracy.[185] Recently the Customs and Excise Department stepped up its efforts to tackle illegal download of films on the Internet, resulting in the world's first criminal conviction for online piracy.[186]

The role of the Hong Kong Arts Development Council is also note-worthy.

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[183] http://www.fso-tela.gov.hk/accessibility/eng/film_guarantee_fund.cfm, accessed 10 April 2006
[184] http://www.info.gov.hk/gia/general/200008/16/0816179.htm and http://www.info.gov.hk/gia/general/199808/12/0812106.htm, accessed 12 April 2006
[185] "Piracy in Hong Kong Under Control", People's Daily Online, 4 August, 2000, http://english.people.com.cn/english/200008/04/eng20000804_47344.html
[186] Laikwan Pang, "From BitTorrent Piracy to Creative Industries: The Changing Meaning of Hong Kong Cinema", p. 1

Established in 1995 to replace the former Performing Arts Council, it provides grants to artists and arts groups in theatre, dance, literature, visual arts and, later, film and video, among other disciplines. Film and video production grants can total up to HK$500,000, although these are few and far between, with most grants between HK$80,000 to $300,000[187].

Until 2007, policy formulation, funding and the planning and implementation of film related services are scattered around a number of government and public bodies including the Home Affairs Bureau, Trade Development Council, Television and Broadcasting Authority and the Commerce, Industry and Technology Bureau. In his policy address of October, 2006, the Chief Executive announced that the Secretary for Commerce, Industry and Technology (SCIT) will coordinate film-related policy planning and activities, including manpower training, Mainland and overseas promotion, and filming support.[188] The Chief Executive also promised to set up a film development council, whose members will include film industry professionals, to advise the SCIT. In April, 2007, the Hong Kong Film Development Council was officially set up, and held its first meeting in May, 2007.[189] One of the main tasks of the Council will be to administer a newly established $300 million fund that will

[187] 2004 Annual Report, Hong Kong Arts Development Council
[188] 2006-07 Policy Address by Chief Executive, http://www.info.gov.hk/gia/general/200610/11/P200610110106.htm, accessed 12 June 2007
[189] Email correspondence with the Executive Officer (Film Services), Film Services Office Television and Entertainment Licensing Authority, June, 2007

invest directly in small and medium sized budget film productions. The creation of the Film Development Council and the film development fund represent a decisive shift in policy from trade development and industry support to direct funding in the industry. To understand the rationale behind this policy shift, it is useful to first examine some of the studies and consultation reports concerning the Hong Kong film industry produced in the past few years.

Studies and consultation reports

The *Report for Revitalizing the HK Film Industry* was commissioned by the Federation of Hong Kong Filmmakers in 2002 and carried out by the Centre for Cultural Policy Research at the University of Hong Kong. It re-affirms the increasing consensus among the film industry for greater governmental intervention, particularly as an infrastructure investor. It also provides a number of rationales for such intervention. The very first paragraph of the report stresses the dual role of film as commodity and cultural production, and is "instrumental in shaping the cultural life and identity" of a community.[190] The report lists the economic benefits of the film industry, but emphasizes its contribution to "raising the cultural image of a society".[191] The report goes on to note that many countries in the world have

[190] Centre for Cultural Policy Research, The University of Hong Kong, *Report for Revitalizing the HK Film Industry* (振興香港電影工業政策報告), October 2002, 2
[191] Ibid., 2

implemented "strong and effective policies" to further the development if the film industry, and that they have done so not only for economic gains, but also as a way to establish their "cultural images"[192] These comments are likely aimed at the government's film policy to date, which treats film as a mere commodity and stresses the economic benefits of the industry on the economy.

The report contains a number of recommendations on the ways in which the government can assist the film industry in terms of policy planning, film financing, production infrastructure, distribution and marketing as well as training, research and cultural policy, many of which were subsequently taken up by the government. For example, the report urges the government to take a more active role in helping Hong Kong films enter the mainland Chinese market. During the CEPA negotiations the following year, many of the industry's demands were in fact incorporated into the agreement, eventually opening up many areas of the Chinese film market to Hong Kong companies. The report also recommends the establishment of a film development board to spearhead the government's film policy, and channeling a part of the Film Development Fund towards setting up a Film Guarantee Fund.[193] The latter recommendation was quickly carried out by government the following year, while a Film Development Council was set up five years later, thus demonstrating the

[192] Ibid., 2
[193] Ibid., 6

increasingly close co-operation between the industry and government in the past few years.[194]

Following United Kingdom's example, the Government commissioned its own creative industries mapping document, *Baseline Study on Hong Kong's Creative Industries*, published in September, 2003, and funded another research, *Study on the Relationship between Hong Kong's Cultural & Creative Industries and the Pearl River Delta* in 2004[195]. These studies, though not directly related to film policy as such, nevertheless include film production as part of the creative industries that make a positive contribution to the economy. They envision the creative industries as the future engine for growth as society moves from a manufacturing to knowledge economy.[196]

In particular, the *Baseline Study* identifies the main difficulties facing the film and video industry and makes a number of recommendations for its growth. For example, it cites access to finance as one of the major obstacles for independent film producers, and saw the then recently established Film Guarantee Fund as a way of

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[194] Also of note is the fact that many of the industry professionals consulted in this report subsequently became members of the Film Development Council, including Gordon Chan Ka-sung, Ng See-yuen, Nansun Shi, Crucindo Hung Cho-sing, John Sham Kin-fun, Raymond Wong Pak-ming and Bill Kong Chi-keung, further evidence that the government is more and more willing to involve the film industry into its decision making process.

[195] Pang, Laikwan, "From BitTorrent Piracy to Creative Industries: The Changing Meaning of Hong Kong Cinema", p. 5.

[196] Centre for Cultural Policy Research, The University of Hong Kong, *Baseline Study on Hong Kong's Creative Industries,* September 2003, Executive Summary

assisting those filmmakers.[197] Moreover, it suggests that the government make greater investment in experimental and alternative films as a way of nurturing new talent for the sector, and boosting funding for the Arts Development Council.[198] In view of subsequent developments, another important recommendation brought up by the Baseline Study is the establishment of a film commission. Significantly, the study specifically mentions Korea and Canada, two countries in which the national cinema discourse had been a particularly powerful influence on film policy, as models on which to base the proposed Hong Kong film commission.[199]

The *Study on the Relationship between Hong Kong's Cultural & Creative Industries and the Pearl River Delta*, a consultative report commissioned by the Central Policy Unit and carried out by the Centre for Cultural Policy Research at the University of Hong Kong, was published in March, 2006. The study examines various sectors of the creative industries, from advertising to television and radio in Hong Kong and the Pearl River Delta (PRD) region. It maps the major enterprises in the region, examines relevant policies and identifies areas of present and potential co-operation between Hong Kong and the PRD. In the section on film and video, the report contrasts the market downturn in the Hong Kong film industry with the boom north of the border. For example, the study notes that the number of film

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[197] Ibid., 106
[198] Ibid., 108
[199] Ibid., 109

productions in Hong Kong dropped from 131 films in 2000 to 41 films in 2003, while box office also fell to HK$ 890 million in 2002, down from HK$1 billion the previous year.[200] Meanwhile, Mainland production numbers grew from around 100 to 140 films in 2003, and increased further to 212 films in 2004, while box office figures was RMB 950 in 2003, and increased by more than 50% in 2004 to reach RMB1.5 billion.[201] The study attributes the latter's relative success with recent regulatory reforms in the PRC film industry including deregulation in the production, distribution and exhibition sectors. It identifies finance capital and industry personnel as areas in which Hong Kong could contribute to the development of the region's film and video industry.[202]

However, the study does not simply discuss film and video in economic and industrial terms. For instance, it urges that the development of a common local South China audio-visual culture within the greater Chinese market, and identifies "local characteristics and cultural elements" as elements that will capture audience's attention within the global film market.[203] Echoing the sentiments expressed in *Baseline Study*, the Pearl River Delta report suggests that the Hong Kong government ought to "encourage and support local filmmakers to partake in the Mainland market

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[200] Ibid., 61
[201] Ibid., 63
[202] Centre for Cultural Policy Research, The University of Hong Kong, *Study on the Relationship between Hong Kong's Cultural & Creative Industries and the Pearl River Delta, Part 2*, March 2006,66
[203] Ibid., 67

in the diversification of film production so as to enrich the Chinese film culture", and furthermore, advocates setting up a fund to promote innovation in film as a means of "supporting film culture and diversification."[204]

These studies indicate that in the past few years, policy makers and advisors had been paying more and more attention to the cultural aspect of the film industry. They affirm the distinctiveness of the Hong Kong film culture, and stress the contribution Hong Kong cinema can make in an increasingly homogenized global marketplace. More importantly, in line with policy thinking in other countries, they envision a role for the Hong Kong government in terms of encouraging artistic innovation and cultural diversity. These reports also provide the intellectual justification and industrial backing for the government to intervene directly in the film industry.

One interesting aspect of these reports is that even though *Report for Revitalizing the HK Film Industry* was an industry commissioned study aimed at lobbying the government, while the other two studies were commissioned by the government's Central Policy Unit, all three were carried out by the Centre for Cultural Policy Research at the University of Hong Kong, whose board members include District Councilor Ada Wong and cultural critics Mathias Woo and Desmond Hui, all of whom

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[204] Ibid., 68

have long been advocates of a stronger, western-European style arts policy in Hong Kong. Many of the industry professionals consulted in the former report also appeared on the latter two studies, further blurring the line between lobbying and policy consultation. Most importantly all three reports were conceived in crisis mode--the former was in response to the ever declining fortunes of the film industry, while the latter two were meant to offer solutions to a Hong Kong economy embattled by the Asian financial crisis and SARS, respectively. These crises produced a broad consensus in society that the government must do something—anything--to help revive the economy. These studies produced, and are themselves a part of an interventionist discourse that becomes increasingly difficult to think outside of. In the following section, I will trace the evolution of Hong Kong's film policy from trade development to film development over the past ten years.

Film Policy as Trade Development

When the Hong Kong Government started to take an interest in the film industry in the late 1990s after years of a largely hands-off, laissez-faire approach, it did so through a semi-governmental agency, the Hong Kong Trade Development Council (HKTDC), which decided to promote Hong Kong films in the way it promotes any

other kind of trade—with a trade fair. Film was seen as a commodity in much the same way as hardware or electronics.

At first, the industry had low expectations of Filmart. Booths had to be heavily discounted from the official rate to attract exhibitors and many buyers' airfare and hotel fees were covered by the HKTDC. Many local film producers were skeptical of the need for such a trade fair, since they already had an established network of buyers. Nevertheless, many film producers were pleasantly surprised by the number of international buyers present.[205] In subsequent years, both the number of exhibitors and visitors grew steadily, and the 10th anniversary edition of Filmart, held in March, 2006, attracted more than 400 exhibitors compared to 75 in 1997, and over 3700 visitors, compared with 500 ten years before.[206] In 2005, Filmart became part of the Entertainment Expo, a month-long, mega event that combined the Hong Kong Digital Entertainment Awards, the Hong Kong-Asian Film Financing Forum, the Hong Kong International Film Festival and the Hong Kong Film Awards Presentation Ceremony.[207]

A film policy that combines trade promotion and exhibition is one that Raymond Williams identified as cultural policy as display. According to Williams, cultural

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[205] Richard James Havis, untitled report on Hong Kong Filmart 1997, http://www.filmfestivals.com/misc/hongkong.htm, accessed 20 June 2007

[206] http://www.hkfilmart.com/filmart/pdf/Report2006.pdf

[207] Source: Film Services Office, http://www.fso-tela.gov.hk/gui/guide_to_filming_02_05.cfm, accessed 20 June 2007

policy as display has two subcategories that included national aggrandizement and economic reductionism, both of which can be distinguished from cultural policy proper.[208] The former included national ceremonies like Queen Elizabeth's coronation, which were associated with enhancing national prestige and legitimizing the existing social order, while the latter sought to justify public expenditure in the arts exclusively in economic terms. Williams further remarked 'how often in arguments about public funding of the arts people mention tourism rather early'.[209] These comments were especially relevant to Hong Kong's film policy, which had frequently been tied with tourism promotion. In 2001, the Trade Development Council, in association with the Hong Kong Tourism Board, mounted an event entitled "Hong Kong Night" at the Cannes International Film Festival. The Council flew in flew in numerous film luminaries including Jackie Chan, Sammo Hung, Stanley Tong, Tsui Hark and Peter Chan to make an appearance. The poster for the event featured a stereotypical image of the Hong Kong skyline. The entertainment for the night was a fashion show in which models strutted down the tiny catwalk in garish *cheongsam* and the food on offer was, of course, dim sum. The speech by a TDC official emphasized Hong Kong as the ideal location for foreign film productions. Between the tacky show and the greasy finger food, someone forgot to

[208] Jim McGuigan, *Rethinking Cultural Policy*, (Berkshire: Open University Press. 2004), 62-3
[209] Ibid., 62

mention that there was actually a Hong Kong film competing at the film festival—Carol Lai Miu Suet's *Glass Tears*, shown in the Director's Fortnight section.[210] The incident showed how easy it was for films to be sidelined by tourism, even (or especially?) at the world's premier international film festival.

At the 2007 edition of the Cannes Film Festival, the opening film was Wong Kar-wai's *My Blueberry Nights* and Maggie Cheung was one of the jury members. Despite the fact that Cheung had not made a Hong Kong film in years and Wong's new film was financed by an American company, both attended Hong Kong night, along with financial secretary Henry Tang, the highest ranking Hong Kong official ever to grace the event. Tang's speech again emphasized Hong Kong's value as a trading hub where one can "deliver [and] source content and establish business opportunities.[211]

Hong Kong, Kowloon & New Territories Motion Picture Industry Association chairman Crucindo Hung confirmed that the government's support of the film industry was based on the hope that films will help attract tourists. "They saw that *Lord of the Rings* can increase tourism by 8%, so its promotional effect is quite large.

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[210] For an account of the event see Man See chung, "Looking at Hong Kong Film Policy through 'Hong Kong Night in Canne" , Hong Kong Economic Journal, June 2001. (文思聰, "到康城影展掛羊頭—從「香港之夜」看電影政策, 信報, 2001 年六月) Man See Chung is the author's pen name.

[211] Speech by Financial Secretary Mr Henry Tang at the Inauguration Ceremony of Photo Exhibition Celebrating the 60th Anniversary of Festival de Cannes cum Cocktail Reception in Cannes of France (May 18, 2007), http://www.info.gov.hk/gia/general/200705/19/P200705190011.htm, accessed 19 June 2007

Using these examples we help government officials understand, and they agree to support the film industry."[212]

Clearly, in GDP terms, the film industry was easily dwarfed by tourism[213], and judging from Hung's comments, many in the film industry were content to use tourism as a bait to solicit the government's support for cinema. However, there was a world of difference between supporting cinema for its own sake and doing so because it might help attract more tourists. The latter depended upon safe, stereotypical and sanitized images tailored for the tourist gaze, just the kind of images the Secretary for Industry, Commerce and Trade would have wanted the Film Development Fund to produce had he got his way. On the other hand cinema, like all art, often deals with unsavory subject matters and exposes social problems, and may not fit in with images usually associated with tourist brochures. *Lord of the Rings* might have worked for New Zealand because, with the help of CGI, the film presented a pristine, gorgeous fantasy landscape consisted of rolling hills and volcanoes that appealed to many tourists, but it would be absurd to fashion Hong Kong cinema (or any cinema, for that matter) around pretty postcard images.

Moreover, the Hong Kong Trade Development Council's promotional strategies

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[212] Interview with author, 22 May 2007

[213] Local films drew around HK$256 million at the box office in 2006 (Source: MPIA). Even including overseas markets and ancillary sales, the take is only equivalent to about 1% of the HK$25.6 billion (source: http://www.info.gov.hk/hkecon/sp/doc/box-05q1-3-1.pdf) that tourism contributes to the economy.

were increasingly out of step with the realities of the local film scene. In order to draw the attention of the world's press, the Trade Development Council have had to trot out established, internationally renowned stars like Jackie Chan, Sammo Hung, Tony Leung and Maggie Cheung for its annual Hong Kong Night extravaganza at Cannes, but ironically these figures have not been active in Hong Kong cinema in recent years. Yet with its every shrinking audience base, big stars were increasingly priced out of local productions. More often than not these big name actors, if they were not working on Hollywood films, were starring in big-budget Hong Kong-China co-productions.

In another sign of how clueless the TDC was with regards to the film industry, its research department compiled a report entitled *The North American Market for Hong Kong Films* in 2001, which explored ways in which the Hong Kong film industry could further exploit the North American market in the wake of the success of *Crouching Tiger, Hidden Dragon.* Among its recommendations is that Hong Kong films should shoot in foreign locations and "produce scripts in standard colloquial American English."[214] Such comments betray a lack of understanding about film as a cultural product, and ignorance about Hong Kong film history. In the late 1970s, Golden Harvest, in the wake of the success of the kung-fu wave in America, had tried

[214] Hong Kong Trade Development Council Research Department, *The North American Market for Hong Kong Films*. (Hong Kong: Hong Kong Trade Development Council, 2001), 7

to capture the international market with a series of western-style, English language films starring Hollywood actors. All but one failed miserably at the box office, partly because the Hong Kong films lacked the resources to compete against big-budget Hollywood films, and also because Golden Harvest did not have access to the distribution networks that the American studios enjoy.[215] The 'lesson' brought home by the Golden Harvest episode is one shared by many others, which is that with few exceptions, the only way for national cinemas to crack the American market is as 'other' cinema, trading on their cultural specificity and 'otherness'. In any case, within a few years it would become evident the market for Hong Kong films was not in the west but north of the border.

Meanwhile, the Hong Kong film scene still had to contend with an ever dwindling number of film productions as well as a declining market share. In 1997, Hollywood films out-grossed local films for the first time since 1980[216], and the market share of the former had grown steadily every year since. In 2006, the box office share of foreign films totaled $602 million, while Hong Kong films grossed around $253 million, amounting to less than a third of total box office share.[217] At the same time, the market for VCDs and DVDs have also declined by as much as 40%

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[215] Mike Walsh, "Hong Kong goes international: the case of Golden Harvest", Gina Marchetti and Tan See Kam, ed.,*Hong Kong Film, Hollywood and the New Global Cinema* (London and New York: Routledge: 2007), 173

[216] Chu, Yingchi, *Hong Kong Cinema: Colonizer, Motherland and Self*, 125

[217] Kwok Hin-ching (郭繾澂), "There will be a lot of local films next year?" (明年很多港產片), *Ming Pao*, 28 December 2006

compared to just a few years ago, according to the owner of a video distribution company.[218] Some in the industry attributed the drop in business to illegal downloading, others blame video rental shops. Such shops offered video discs for rent for less than $10 each time, a fraction of the $60-200 it cost to purchase a DVD, with all the profit going towards the shop owner. In the past few years the number of shops specializing in video disc sales dropped by half, while those that offer disc rental rose from just a few dozen to more than two hundred in 2006.[219] As the sales figure for video discs plummeted, the price for video rights (the amount offered to film producers for the right to distribute the film on video discs) had continued to fall. Considering that the sale of video rights accounted for between 30-40% of a film's income[220], the fall in the price of video rights had a direct impact on a film's profitability. While the government had been quite aggressive in prosecuting illegal downloading, it had been criticized as dragging its feet with a proposed legislation regulating film rental, which had been stalled in the legislative council for more than two years.[221]

In the last fifteen years the number of local films released also fell from a high of 234 in 1993 to 57 in 2005, and the local box office fell from an all-time high of

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[218] Or Mei, Chung Yat-hung (柯美，鍾一虹)"Save Hong Kong Films" (急救香港電影之銷情慘淡), *Ming Pao*, 28 Sept, 2006
[219] Ibid.
[220] Chu, Yingchi, *Hong Kong Cinema: Colonizer, Motherland and Self*, 126
[221] Ibid.

HK$1.2 billion to HK$293 million in 2006.[222] The relative share box office for local films also plummeted from 78% in 1992 to 31% in 2006.[223] Given these dismal figures, it was not surprising that the industry lobbied for greater intervention in the film industry beyond trade promotion. Meanwhile, many in the industry saw that the $100 million Film Development Fund inaugurated in 1998 had also not achieved the intended goal of reviving the industry. As mentioned above, the fund's qualifying criteria was seen as too stringent, and the activities it funded like stunts or arts direction workshops served no useful purpose at a time when the number of film productions had fallen rapidly, and there was no employment available for the graduates. Many industry professionals pressured the government to set up a film guarantee fund to make it easier for production companies to obtain financing, and the government responded by setting up just such a fund in 2003. However, subsequently the response from the industry to the fund had not been enthusiastic due to the harsh qualifying criteria for the applying film companies, as well as strict repayment conditions imposed by the participating banks.[224] In practice, producers were required to purchase an expensive completion bond before banks would lend them the money. Any income recouped by the film had to be repaid to the bank first,

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[222] Source: MPIA
[223] Source: MPIA
[224] Joseph Chan, Anthony Fung and Jiun-Shiung Wu, "Where is Hong Kong Film Policy Heading?", http://www.rthk.org.hk/mediadigest/20070215_76_121331.html, assessed 12 June 2007. (陳韜文, 馮應謙, 吳俊雄, "香港電影政策往何處去？")

which meant that investors bore most of the financial risk[225]. As a result, in the four years between 2003 and 2007, only 12 projects applied and were approved under the scheme, one of which subsequently turned down the bank loan because the company obtained alternate funding from a big studio for the project.[226]

The Road to Film Development Council

The idea for a film commission in Hong Kong was first floated by the industry in the early 1990s.[227] At the time, many industry professionals were frustrated by the lack of any governmental departments in charge of production co-ordination in Hong Kong. For example, there were no filming permits for location filming, yet the police could, and often did, shut down a production in response to noise complaints. This kind of treatment was in sharp contrast to the welcome film crews received overseas, where city departments were often willing to block off whole streets for filming, and provided many public facilities for location shooting at little or no charge.[228] At the same time, many foreign film and television productions coming to Hong Kong received a great deal of production support with the assistance of the

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[225] Kong, Lily. "The Sociality of Cultural Industries--Hong Kong's cultural policy and film industry" in *International Journal of Cultural Policy*. Vol. 11, No. 1, 2005, 66

[226] "12th film-loan guarantee approved", 6 June 2007, http://www.news.gov.hk/en/category/businessandfinance/070606/html/070606en03002.htm, accessed 18 June 2007

[227] King Oi Chu (朱瓊愛), "The Film Industry Demands the Establishment of a Development Council" (電影人怨聲載道要求成立發展局), *Hong Kong Economic Journal*, 30 December 1994

[228] Zuni Icosahedron (進念二十面體), I*n search of Hong Kong film policy* (尋找香港電影政策), (Hong Kong: Zuni Icosahedron, 1995), 65

Information Services Department, thus adding to the local industry's frustration.[229]

The industry began lobbying the government for the establishment of a film commission in order to strengthen communication between the film industry and the government, maintain a film production location resource centre, promote the Hong Kong film industry overseas, and assist the industry in copyright negotiations with other countries.[230] However, after initial negotiations the plan was finally rejected by the government in 1993.[231] At the time, an officer for the Broadcasting, Culture and Sport Bureau (later changed to Commerce, Industry and Technology Bureau in 1998) defended the government's decision by explaining that the bureau already had many channels of communications with the industry without the need for a film commission, that there was not much the government could do on behalf of the industry in terms of copyright protection, and that the industry should try to solve piracy problems themselves.[232] On the subject of whether or not film projects should receive funding from the recently established Arts Development Council, the Bureau was of the opinion that most films were commercial in nature, and, just like popular music, should not receive public funding.[233] As it turned out, the ADC did eventually begin to support film and video projects in 1996, but the Bureau's assessment about the film

[229] Ibid., 62
[230] Ibid., 59
[231] Ibid., 73
[232] Ibid., 60
[233] Ibid., 66

industry was typical of governmental attitude towards Hong Kong cinema in general. Frequently loud, crass and shamelessly commercial, Hong Kong cinema was not what comes to most government officials' minds when they think of culture.

This 'policy' of willful neglect continued until after the handover. According to Crucindo Hung, Chairman of the Hong Kong, Kowloon & New Territories Motion Picture Industry Association and the Federation of Motion Film Producers, the change in sovereignty brought about a shift in the government's attitude towards the film industry. "Before the handover Hong Kong was ruled by the British, and there is a big difference between their culture and ours…Afterwards we are ruled by our own people. We understand Chinese culture, and understand that we can promote ourselves to the world through film."[234] The comment indicated that an increased 'national' awareness on the part of the government after the handover coincided with a more proactive film policy, and that policy makers within the government began to see film as a way to promote Hong Kong.

The first sign of this policy shift occurred with the campaign to combat piracy. The piracy problem had been plaguing the film industry since the early 1990s, but the government had not done much about it. The problem became very acute by 1997, when VCD shops selling pirated movies and software came to be a common feature

[234] Interview with author, 22 May 2007

of Hong Kong streetscape. Piracy steepened the decline of the local film industry, resulting in an estimated 30% decline in box office revenue.[235] There was a great deal of media attention focused on this issue, and the industry pressured the government to take action. Finally a new copyright legislation came into effect in June 1997, giving the Customs and Excise Department greater power to enforce the copyright law and prosecute offenders.[236] Other anti-piracy statutes include requiring all video disc manufacturers to be licensed, and monitoring the import and export of disc manufacturing machinery.[237] These measures, together with vigorous action by the Customs and Excise Department, eventually decreased the amount of pirated films on the streets in Hong Kong.

This change of governmental attitude towards the film industry occurred in the aftermath of the 1997 Asian Financial crisis, which highlighted the volatility of the global financial markets and the unreliability of many traditional industries, and led many Asian leaders to turn to the creative industries sector as a safety net for their economies.[238] In the previous chapter I had already described how the Korean government promulgated the Cultural Industry Basic Law as a blueprint for

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[235] Chau Tak-hay (周德熙), "Letter to Hong Kong from the Secretary for Trade & Industry" (工商局局長《香港家書》),30 May, 1998. http://www.info.gov.hk/gia/general/199805/30/0529151.htm, accessed 18 June 2007

[236] Hong Kong Trade and Industry Bureau, Performance Report 1997, http://www.policyaddress.gov.hk/pa97/english/rtib.htm, accessed 21 June 2007

[237] Chau Tak-hay (周德熙), "Letter to Hong Kong from the Secretary for Trade & Industry"

[238] Laikwan, Pang "From BitTorrent Piracy to Creative Industries: The Changing Meaning of Hong Kong Cinema", 5

developing the country's cultural industries. In Hong Kong, the various initiatives to assist the film industry since 1997 as outlined in the beginning of this chapter could be seen as an effort to capture a piece of the burgeoning global knowledge economy pie by a more vigorous defense of copyright.

The western-led creative/cultural industries discourse, centred on the protection of copyrighted ideas and enforced by global trade organizations, is extremely nationalistic in nature.[239] Since the handover, Hong Kong has made a concerted effort to enforce intellectual property rights, which demonstrates its adherence to the global creative industries regime. Yet the impetus for this enforcement is very much connected to a desire to protect the local film industry. The Secretary for Trade & Industry Chau Tak-hay's "Letter to Hong Kong" broadcast segment on Radio and Television Hong Kong in May, 1998 was devoted to the issue of piracy. Chau defended the government's recent anti-piracy efforts by citing the economic impact of piracy on the film industry, and attempted to solicit public support for the government's get tough stance using civic/national pride, suggesting that listeners would not want to see Hong Kong lose its "Hollywood of the east" reputation because of piracy.[240] The anti-piracy campaign and creative industries discourse represent a

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[239] Laikwan, Pang, "Copying Kill Bill", *Social Text,* no.83 (Summer), 139

[240] Chau Tak-hay (周德熙), "Letter to Hong Kong from the Secretary for Trade & Industry" (工商局局長《香港家書》),30 May, 1998. http://www.info.gov.hk/gia/general/199805/30/0529151.htm, accessed 18 June 2007

subtle shift in the government's hitherto commercially based approach to film policy, for more so than other industries, the creative industries in general and the film industry in particular depended on national specificity and cultural identification. This shift paved the way for the establishment of the Film Development Council and direct government investment in film production.

Establishment of the Film Development Council

Despite the lackluster response for the Film Guarantee Fund, the government continued to express support for the film industry. In his first policy address in 2005, Chief Executive Donald Tsang affirmed film's importance as the "flagship of Hong Kong's creative industries", and announced the establishment of a consultative body, a film development committee to "take stock of the present state, opportunities and challenges of the local film industry before charting a development course and drawing up a clear action plan."[241] The committee, which began meeting in November 2005, was headed by Jack So, former deputy chairman and group managing director for telecom PCCW, and included various film industry professionals as well as members of the business community.[242] According to

[241] Chief Executive of Hong Kong, 2005-06 Policy Address, http://www.info.gov.hk/gia/general/200510/12/P200510120136.htm, accessed 22 June 2007

[242] They include Chan Wing-mei, director of Newport Entertainment Co. and president of the Hong Kong Theatres Assn.; Felix Fong Wo, a solicitor with an interest in film finance and chairman of the Liquor Licensing Board; Crucindo Hung, chairman of Hong Kong's Motion Picture Industry Assn.; Bill Kong, executive director of Edko Films; Terry Lai, chief executive of distribution, Intercontinental;

Crucindo Hung, the committee discussed many matters including how to better assist film productions and promote Hong Kong films abroad, and submitted their summary recommendations to the government. The committee also commissioned a consultation report that examined the operations of film boards from other countries like Britain and Korea.[243]

The report seemed to have persuaded the Hong Kong government to overcome its long standing resistance to a film council, and in April 2007, it announced the establishment of the Hong Kong Film Development Council. One of the council's main tasks will be overseeing a $300 million film development fund, part of which will be used towards training and infrastructure support, while the remainder will be devoted to film production. The fund is specifically targeted at small and medium sized films with a budget ceiling set at $12 million, providing up to a third of a film's budget.[244] Under the scheme, the government will in effect become a film investor, providing funds for up to a hundred productions. The government's plan sparked a great deal of discussion among film professionals and commentators. Many from the filmmaking community welcomed the move, and hoped the injection of funds will help revive the film industry. Other commentators were more skeptical, and

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Peter Lam, Media Asia chairman; John Sham, executive secretary of the Federation of Hong Kong Filmmakers; Nansun Shi, executive director of Film Workshop; Suen Kwok-lam, executive director of Henderson Land; and Raymond Wong Pak-ming, chairman of Movie Producers and Distributors Assn. (Source: Vicki Rothrock, "So Heads New Hong Kong Council", *Variety,* April 15, 2007 http://www.variety.com/article/VR1117963125.html?categoryid=1043&cs=1, accessed 24 June 2007

[243] Interview with author, 22 May 2007

[244] Vicki Rothrock, "So Heads New Hong Kong Council", *Variety,* April 15, 2007.

questioned why the fund should go towards small and medium sized films when most of them lose money, instead of big budget ones[245]. Still others wonder if the SAR's much vaunted policy of "positive non intervention" had been breached by this scheme.[246]

Soon after the establishment of the film development fund was announced, controversy erupted over its qualifying criteria. In documents submitted to the Legislative Council Panel on Information Technology and Broadcasting, it was revealed the Commerce, Industry and Technology Bureau had plans to disqualify scripts that overly emphasize sex, violence, crime and horror, and that films which insult particular races, genders and religion will likewise not be approved for funding.[247] These conditions sparked vociferous objections from many film industry professionals and commentators, who argued that the banned topics covered almost all the usual elements that make films commercially viable. Among those who sounded their objections include film director Gordon Chan, who claimed that the requirement was "ridiculous and an insult to film directors."[248] Bizarrely, Chan himself was a member of the Film Development Commission, and this incident raised

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[245] Kwok Hin-cheng (郭繽徵), "Shouldn't public funds be used towards big budgeted films?" (公帑不投資大片嗎？), *Ming Pao*, 9 May 2007

[246] Tonny Chan, "Government to invest in movies", 8 March 2007, http://www.a-performers.com/employer/industry_Insight.jsp?article_id=839, accessed 28 June 2007

[247] Yangtze Evening Newspaper (揚子晚報) "Film directors question film fund qualifying criteria" (基金審批標準引發導演爭議), http://61.155.236.16:10000/b5/www.yangtse.com/lcpd/cjbd/200704/t20070416_283490.html, accessed 18 April 2007

[248] Ibid.

questions regarding the relationship between the commission and the department, and how much the latter relied on the former's advice when drafting policies. Although the qualifying requirements were later quietly dropped,[249] the episode highlighted a fundamental difference between the Hong Kong Film Development Council and its counterpart overseas. For while Telefilm Canada and the Korean Film Council were autonomous statutory organizations equipped with their own budgets, the HKFDC was an advisory body charged with counseling the secretary for Commerce, Industry and Technology on how to handle the $300 million Film Development Fund, the management of which was within the aegis of the Commerce, Industry and Technology Bureau.[250] Despite its claim to be supportive of the film industry, the government was evidently still wary about not being able to control the content of the films produced. The establishment of the Film Development Council and the Film Development Fund occurred at a time when Hong Kong cinema is facing a crisis in identity as a direct result of the CEPA.

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[249] Confirmed in an E-mail correspondence with Shirley Hui, Executive Officer (Film Services) Film Services Office, Television and Entertainment Licensing Authority, 13 June, 2007

[250] Vicki Rothrock, "So Heads New Hong Kong Council", *Variety,* April 15, 2007

The Changing identity of Hong Kong Cinema

According to box office figures, the top grossing films were taking a larger and larger percentage of the total gross. Of the top grossing hits at the Hong Kong box office last year, for example, a significant portion were Hollywood films like *Pirates of the Caribbean II* and *The Da Vinci Code* and big budget Hong Kong-Chinese co-productions like *Fearless* (霍元甲), *Curse of the Golden Flower* (滿城盡帶黃金甲) and *A Battle of Wits* (墨攻).[251] Even films featuring mostly local talents and set in Hong Kong had the backing of Mainland investors, like Jackie Chan's *Rob-B-Hood* (寶貝計劃), co-produced with Beijing company Huayi Brothers Film Investment Co. Ltd., while *Confession of Pain* (傷城) was co-produced by another Beijing firm, Beijing Polybona Film Distribution Co. Ltd.[252] Local actors and narratives were occupying a lesser and lesser proportion of the Hong Kong cinematic landscape. With the access to the Chinese market made possible by CEPA, many Hong Kong films incorporate mainland companies as production partners so as to qualify as co-productions. As to be expected, these films will try to cater to both the Mainland and Hong Kong market at the same time, but more stringent censorship requirements on the mainland meant that many topics that have long been part of the local filmmaking tradition have had to be curtailed or modified. Moreover, many subject

[251] Hong Kong Box office 2006, January 2007, http://www.hkfilmart.com/newsread.asp?newsid=1986&lang=en, accessed 17 June 2007
[252] Pang Lai-kwan, "Postcolonial Hong Kong Cinema and Its Utilitarian (Trans)Nationalism"

matters have now become taboo, the most obvious being political ones. Ghost stories, once the staple of Hong Kong cinema, were not allowed, nor were depictions of Triad society, another favourite Hong Kong film subject. The fickle nature of Chinese censorship meant that some films were banned outright, while others pass through with alterations or cuts.[253] Anticipating this, some directors shoot alternate endings for their films. In the Mainland version of *Infernal Affairs*, for example, the undercover Triad member played by Andy Lau was arrested by Chinese police at the end[254]. The Triad member played by Leo Koo in Johnny To's *Election* becomes an undercover cop in the Chinese version.[255] Such changes cannot but have a negative effect on the artistic integrity of the films involved.

More worrisome was the self-censorship practiced by Hong Kong film producers, who automatically shy away from potentially sensitive subjects, thus threatening the artistic freedom of Hong Kong cinema. Another trend was for Hong Kong films to have fewer local references, or set in a deliberately vague locale so as to make them more palatable to Mainland audiences. In trying too hard to appeal to the Chinese

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[253] In 2006, for example, the Hollywood film *Memoirs of a Geisha*, starring Mainland actresses Gong Li and Zhang Ziyi as mid-20th century Japanese geishas was banned outright ("China expected to tighten movie censorship", *Associated Press,* 7 Feb 2006, http://bilingual.rdec.gov.tw/KM/KM_EN/ShowPage.php?menu_item_id=MI-1124948787&did=d_1139309091_12385_2a69f33f50885eab&setupFile=content_text, accessed 25 June 2007) while in 2007, half of Chow yun-fat's scenes in *Pirates of the Caribbean: At World's End* were cut at the behest of Chinese censors because they say Chow Yun-Fat's character of Captain Sao Feng is "vilifying and defacing the Chinese". ("Pirates of the Caribbean censored for "vilifying Chinese"", 16 June 2007, http://www.stuff.co.nz/4096365a1860.html, accessed 28 June 2007)

[254] Ilaria Sala, p. 6

[255] Chen Ku-chuan, "*Election* ", http:// www.southcn.com/ent/column/cgc/200511150093.htm,(陳谷川, "《龍城歲月》：剪不斷，理不亂"), (Southcn.com 南方網, 15 Nov., 2005). accessed April 2006

market, Hong Kong films was in danger of becoming overly bland and inoffensive, losing the very edge that made them popular in the first place.

Many Hong Kong directors were well aware of this threat, and attempt to deal with it in different ways. Gordon Chan claimed that with his recent film *Under Cover Hidden Dragon* (至尊無賴), he wanted to make a quintessentially Hong Kong film.

> From the name of the film to the design of the character, I have deliberately made them more localized. I can guarantee that the film won't pass Chinese censors.[256]

The director is referring to the fact that the lead character in the film is a street smart rascal with no ambitions and no socially redeeming qualities. In this respect, the film harked back to Chan's early successes like *Fight Back to School* (逃學威龍) from the early 1990s. Unfortunately Hong Kong film audiences have moved on, and *Under Cover Hidden Dragon* underperformed at the box office vis-a-vis the director's expectations. Nevertheless the film represented one director's attempt to come to terms with the notion of Hong Kong identity.

Another director, Johnny To, filled his film *Election 2* with overt references to the Chinese political system, and the film has abundant violence and bloodshed, while the bad guy does not get punished at the end. The director pointedly refused to

[256] From Gordon Chan's blog, http://gordonchanks.blogspot.com/, accessed 14 April 2006

make any cuts for the Chinese market.[257] The result, predictably, is that the film is banned in China. To's defiance signals a profound discomfort with the straightjacket of the Chinese censorship system.

The two director's comments and actions reflect a concern on the part of film professionals over the very identity of Hong Kong cinema, and whether this Special Administrative Region within Greater China can maintain a regional film culture. David Bordwell remarks that "Hong Kong cinema is one of the few local cinemas ever to achieve the critical mass that underpins a full-blown film industry".[258] During the heyday of the industry in the 1980s and early 1990s, there was sufficient local support for Hong Kong films to keep them resolutely local, filled with the latest street lingo, fashion trends and fads while telling local stories.[259] Even though overseas markets had always contributed a significant portion of industry revenue for Hong Kong cinema, they had never exerted as great an influence on film content as they did today.

Another worrisome trend for Hong Kong cinema was the disappearance of exhibition venues. During its heyday in the 80s and 90s, there were five theatre

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[257] Lo Mik Suet(盧覓雪), "Johnny To does not want peace, *Election 2* gives up the Mainland market for a good reason ("杜琪峰不願以和爲貴《黑社會 2》放棄內地放得好"), Asia Times Online, 13 April 2006. http://www.atchinese.com/index.php?option=com_content&task=view&id=15236&Itemid=91, accessed 16 May, 2006

[258] David Bordwell, *Planet Hong Kong*, (Cambridge, Massachusetts and London, England: Harvard University Press, 2000), 34.

[259] Ibid. p. 36-9

chains devoted to screening local films. After 1997, there were no longer any theatre chains showing local films exclusively.[260] With the downturn in the industry, theatre chains have consolidated, while many older theatres have closed, their places partly filled by multiplexes, which were usually owned or partly owned by distributors with a steady supply of foreign films to fill the screens.[261]

The latest plan to set up a HK$300 million film fund aimed at small and medium sized productions could be seen an effort to re-insert the local, mundane cinema in Hong Kong cinema, a part of the cinematic landscape most devastated by the market downturn in recent years. For Tom O'Regan, conceiving of national cinemas as mundane cinema "talks to the heteroclite character of national cinema in ways that the self defensive ethos of the oppositional and the self-congratulatory ethos of the prestigious cannot."[262] According to O'Regan, what was often over-emphasized in any discussion about national cinema were the exceptional art films, yet the bulk of the national cinema output were what he termed mundane cinema, films that were often ignored by critics. In Australia the mundane cinema consisted of the "ocker films", rude comedies that appealed to teenage audiences; in France, the comedies and cop thrillers that were seldom seen outside of the country;

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[260] Chu, Yingchi, *Hong Kong Cinema: Colonizer, Motherland and Self*, 125
[261] Cherise Fong, "Hong Kong movies refocus to mainland", June 25, 2007, http://www.cnn.com/2007/WORLD/asiapcf/06/20/hk.film.industry/index.html?section=cnn_latest, accessed 26 June 2007
[262] Tom O'Regan, *Australian Cinema*, 137

in Canada, cheap horror films and teenage comedies that were produced under the various tax shelter schemes over the years.

The same could be said in conceptions about Hong Kong cinema. In most academic and critical discourse, auteurs such as Wong kar-wai, Stanley Kwan, Ann Hui and Fruit Chan receive a disproportionate amount of attention—that is, disproportionate to the number of such films within the total film output. The mundane cinema of Hong Kong—the ghost films, the romantic comedies, the melodramas, the gambling films, the crime dramas, the triad thrillers and the like—were usually ignored by critics but much loved by local audiences. Incorporating mundane cinema into the Hong Kong national cinema allowed us to appreciate the full spectrum of the region's cinematic output. Yet for various reasons, including dwindling audiences, shrinking budgets, the threat of Chinese censorship, the domination of big budget films (both Hong Kong/Chinese and Hollywood), mundane cinema in Hong Kong had suffered a decline, and with it, the very identity of Hong Kong cinema was put in doubt. If Hong Kong was to remain a vital, dynamic national cinema in the fullest sense of the term, then it needed its mundane cinema as much as art cinema and major productions.

At present, film policy in Hong Kong was still in a formative stage, and its direction and substance were still contested. After the film *Isabella* (伊莎貝拉) won

the Best Film Award at the Orient Express Competitive Section of this year's Oporto International Film Festival in Portugal in March, 2007, it was cited by then Secretary for Commerce, Industry and Technology Joseph Wong Wing-ping during his announcement of the Film Development Fund later that month, as just the kind of small to medium budget films the fund aimed to sponsor.[263] Wong further added that the fund's main purpose was not to make a profit but to increase the number of film productions. The two statements pointed to two potentially conflicting directions for the region's cinema: one was for a prestige cinema based on art films that could win awards and acclaim for Hong Kong at international film festivals, the other for a cinema with sufficient critical mass to sustain a film industry. While the two policy directions were not mutually exclusive, an over-emphasis on art cinema could turn Hong Kong cinema into a boutique cinema, like the ones that existed in Taiwan and some smaller European countries in which only a handful of films aimed at the international film festival circuit were produced every year. On the other hand, a policy that encouraged too much mundane cinema could, like the Canadian tax shelter boom of the 1980s, lead to a crisis of legitimacy that may undermine public support of such a policy.

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[263] "Hong Kong Government to Invest up to 30% of Budget in Film Production" (港府投資拍片上限三成), 8 March 20007, http://www.singtao.com/index_archive.asp?d_str=20070308&htmlpage=main&news=0308ao09.html, accessed 30 May 2007

As with many other countries, appealing to cinema's status as 'art' was one strategy with which national cinemas can distinguish themselves from Hollywood, and justify public assistance for the sector.[264] Yet this notion would not sit well with Hong Kong cinema, which had historically been known for its populism—i.e., responding rapidly to audience tastes and reflecting local events and concerns. This bond with the audience had been increasingly threatened by the market downturn and the transnational flow (simultaneously in the direction of both Hollywood and China) of Hong Kong film talents, but one that needed to be re-built if Hong Kong cinema is to retain its distinctive identity.

In the current discussion on film policy, one vital component had been strangely absent—the audience. According to Andrew Higson, national cinema is not simply defined in terms of the films produced within a definable territory, but should also be understood in terms of production, distribution, exhibition, consumption as well as critical discourses.[265] In the shaping of Hong Kong's film policy thus far, governmental and industrial interests have tended to take central place, yet to grasp fully a comprehensive picture of Hong Kong's national cinema one should also consider the reception of Hong Kong audiences.

In 2000, the Hong Kong Film Development Fund funded a survey on film

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[264] Tom O'Regan, *Australian National Cinema*, 136
[265] Andrew Higson, *Waving the flag, Constructing a National Cinema in Britain*, 8

viewing habits in Hong Kong, conducted by the Hong Kong Policy Research Institute (HKPRI). The survey suggested that the most popular sites for film consumption in Hong Kong, in descending order, were terrestrial television stations (TVB/ATV), VCD/video tapes, cable television, with cinema a distant fourth.[266] The average Hong Kong person went to movie theatres 5.1 times per year.[267] On par with the rest of the world, the two most active cinema viewing group consisted of young people, between the ages of '12-19' and '20-29', who watched films an average of 7.5 times and10.4 times in 2000 respectively.[268] Among the disincentive to watching films in the cinema were ticket prices, the poor environment of cinemas (the most common complaints included the non-enforcement of no-smoking rules and disturbance from mobile phones) and the availability of video discs very soon after the film's showing in cinemas.[269] With regards to local films, respondents cited their low quality as the main reason for not watching them in cinemas, while viewing them on pirated discs was just a cheap means to kill time rather than appreciate the films, and respondants claimed that even if all pirated discs disappeared from the market, they would spend their money elsewhere.[270] Of ways to improve local films, many respondents suggested that resources be devoted to improving the quality of screenplays rather

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[266] Hong Kong Policy Research Institute, *A Report on the Survey on Movie-going Habits in Hong Kong, Executive Summary* (HKPRI: Hong Kong, 2000), i-ii
[267] Ibid., ii
[268] Ibid., ii
[269] Ibid. iii
[270] Ibid., vi

than on big name casts, and producers should explore subject matters that appealed to different age groups.[271] Strangely, the survey did not mention improving the production value or introducing more digital effects into Hong Kong films even though box office figures for Hollywood productions in Hong Kong seemed to indicate a preference for these qualities. The survey's respondents were broadly supportive of an active film policy, saying that the government should be more supportive of local productions by relaxing the existing rules on local shooting, encourage film festivals of local films as a type of cultural activity and providing subsidies for non-mainstream film productions.[272]

The survey suggested that despite not wanting to pay money to watch local films in cinemas, most Hong Kong people were still supportive of local films, and wanted the government to help improve their quality. This seemed at variance with one of the expressed goals of the $300 million Film Development Fund, for which increasing the *quantity* of local film productions take precedence. Moreover, the respondents saw local films as more than a means of entertainment, but were appreciative of their cultural significance.

Another significant finding from the survey was that the cinema was no longer the main site for film viewing--as box office figures have also made abundantly

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[271] Ibid., v
[272] Ibid., vi

clear--yet other film viewing sites including television and video discs remained important. At present, the annual tally of Hong Kong films produced only take into account the number of films shown on local cinemas, while other forms of productions such as made-for-TV dramas, direct to video releases, made for export productions and video films were not counted. Privileging cinema as *the* site for film exhibition was part of a historically based, industry-led discourse centred around a century-old business model, one that will probably become less and less relevant in the digital age. Film policies framed according to Higson's conception of national cinema should also incorporate other modes of exhibition. France's film policy, for example, channels television income into film production, yet in Hong Kong, broadcasting and cinema were still considered vastly separate realms and managed by the Broadcasting Authority and the Commerce, Industry and Technology Bureau respectively. In the future, as digitization further impact film production, transmission and exhibition, film policy needed to be re-adapted to take into account these changes.

The survey also makes clear that cinema no longer represents the most prevalent form of entertainment for most Hong Kong people, as only 21.3% of the respondents stated that they favoured going to the cinema and the majority of those who were 30

years old or above said that cinema-going was not their favourite leisure activity.[273] Indeed, nowadays with a plethora of entertainment choices available, film may never regain the privileged position it once held with Hong Kong people. Many of these other entertainment choices, including popular music, cartoons, online games and television shows are not without cultural content. Seen in this light, a policy that focuses exclusively on cinema seems out of step with the times. By contrast, Korea's film policy is part of an overall 'cultural master plan' that encompasses traditional art forms, film, entertainment and publishing.[274] The goal of Korea's culture plan is not simply economic development, but the fostering of a distinctive cultural identity.[275] Indeed, the economic and cultural aspects of the policy are not seen as mutually exclusive but complimentary, as

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[273] Hong Kong Policy Research Institute, *A Report on the Survey on Movie-going Habits in Hong Kong, Executive Summary* (HKPRI: Hong Kong, 2000),

[274] From the Asia Pacific Regional Center of the Culturelink Network, http://www.culturelink.or.kr/policy_korea.html, accessed 22 August 2007

[275] Haksoon Yim, "Cultural Identity and Cultral Policy in South Korea", *The International Journal of Cultural Policy*, 2002 Vol. 8 (1), 41

Chapter 4

Conclusion

This thesis examines the evolution of film policy in Hong Kong from the handover to the present. Film policy is mostly legitimized from either one of two positions: industrial/economic and cultural. The former stresses the importance of the film industry to the national economy in terms of income generation (in both domestic box office and exports), job creation and the knock-on effects on other industries such as manufacturing (showcasing the country's products) or tourism. The latter emphasizes the cultural value of cinema, both in terms of its edifying effects on the populace or the contribution of the country's cinematic achievements to world culture. The national cinema discourse is a useful way of analyzing film policy because it looks at cinema holistically from an industrial as well as cultural perspective. This discourse is concerned with the way cinema contribute to the formation of national identity by looking at the production and circulation of films within a geo-political unit. As a discourse on film policy, national cinema opens up the discussion beyond the usual art/commerce dichotomy—rather than championing, say, art/auteurist cinema versus popular films, this discourse takes as a starting position that *all* films function as a 'cultural articulation of a nation'[276], without

[276] Susan Hayward, *French National Cinema*, x

limiting the concept of nation to one that is necessarily unitary or exclusive.[277]

This essay looks at the development of film policies in France, Canada and Korea in recent years and draws attention to the way in which the conception, implementation, criticism and modification of these policies are influenced first of all by beliefs about cinema's value to the nation, and also ideas about the kinds of films that best represent a nation (and therefore deserving of government subvention). I have discussed the way cinema in France is valued as a totem of French society, and how a great deal of resources is devoted to supporting the film industry. This in turn leads to a dependency on state support which paradoxically weakens the foundation of the industry and possibly lessens the appeal of cinema. There is also a constant critical and policy tug-of-war between small to medium budgeted, auteur driven films and higher budgeted popular films. Canada experiences a similar problem when popular films produced under a tax-credit system were criticized as having no cultural distinction, while much of Korea's popular cinema are seen as derivative of Hollywood genres. The distinction between the artistic and the popular speaks to different 'vocabularies of values'[278], both of which belong within the national cinema discourse. In debates about film policy, these vocabularies are used to champion one kind of film over the other, but they should not be seen as ways of fixing boundaries

[277] John Hill, "The Issue of National Cinema and British Film Production", 16
[278] Tom O'Regan, *Australian Cinema*, 111

once and for all, but have to be constantly re-negotiated by policy makers, industry professionals and the public.

A different but related set of dichotomies that recur in national cinema is that between the indigenous and Hollywood. According to Susan Hayward, a national cinema is "ineluctably 'reduced' to a series of enunciations that reverberate around two fundamental concepts: identity and difference."[279] National cinemas often assert themselves in opposition to the dominant American cinema in terms of both aesthetics and structure of the film industry, and construct their identities based on such differences. Stephen Crofts identifies three ways in which national cinema production comes to terms with Hollywood: through imitation, competition with Hollywood in domestic markets, and differentiation from Hollywood.[280] Both France and Korea's film industry try to imitate that of Hollywood's mode of production—France did so by nurturing a trans-national media conglomerate, Vivendi-Universal that took over a Hollywood studio, while Korea facilitated a number of vertically integrated film companies through tax breaks and policy incentives. Both countries pursue Hollywood's strategy of producing high-budget blockbusters that dominate the domestic box office, and are exported to other countries. Canada, on the other hand, try to compete with Hollywood in the

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[279] Susan Hayward, *French National Cinema*, x

[280] Stephen Crofts, "Reconceptualizing National cinema/s", *Quaterly Review of Film and Video*, vol 14, no.3, 1993, 50

domestic market by producing commercially driven genre films under Telefilm Canada's production scheme, as do France and Korea with small to medium budget productions. All three countries also have specific policy in place to support small scale, artistic projects that differ from most commercial Hollywood fare. For these countries, film policy is the ground upon which negotiations and debates about national cinema take place. Such debates seek to address cinema's dual nature as industry and art, and policies that veer towards either extreme threaten to de-stablelyze the very concept of national cinema. For example, a purely industrial approach may produce films like Vivendi-Universal's action thriller *Under Seige* which are literally indistinguishable from Hollywood, while a policy that favours art cinema exclusively may find itself without a national audience.

In analyzing the evolution of Hong Kong's film policy from 1997 to the present, this thesis argues that the policy is influenced by policy makers and industry professionals' increasing awareness the region's cultural identity in the post-colonial era. I have shown that the trajectory of policy intervention since the handover reflected a change in how cinema is perceived. In the earlier period, with the establishment of the Film Services Office in 1998 and creation of the $100 million Film Development Fund aimed, among other things, at enhancing "the professional and technological capabilities of the local film industry" and improving "the

professional skills of the industry's workforce"[281], it is clear that government officials regard film as merely an industry, and the government's role was to facilitate production and improve the skills of its workforce. The Hong Kong Trade Development Council's trade fair for film, Filmart, also treated film as a commodity without acknowledging the cultural aspect of cinema, and its promotional efforts at overseas film festivals showed that it was more concerned with promoting tourism than film.

As the fortunes of the film industry declined further from the late 90s onwards, industry professionals clamoured for greater government intervention, as evidenced by the industry commissioned *Report for Revitalizing the HK Film Industry*, which stresses the cultural importance of the film industry and emphasizes film as a way to build up the cultural image of Hong Kong. This discursive shift is also present in two other government-commissioned reports related to the cultural industries, the *Baseline study on Hong Kong's Creative Industries* and the *Study on the Relationship between Hong Kong's Cultural & Creative Industries and the Pearl River Delta.* These reports were written during times of economic uncertainty in Hong Kong, when events including the Asian Financial Crisis and the SARS epidemic revealed the fragility of the financial and property markets in the region, and these reports looked

[281] From the Film Services Office Website, http://www.fso-tela.gov.hk/fdf/index.cfm, accessed 17 July 2007

to ways of diversifying Hong Kong's economy. The *Baseline Study* envisions the creative industries as the new growth centre for Hong Kong. Although the study looks at culture and creativity in largely economic terms, it nevertheless highlights the importance of culture and creativity in society, and asserts the need for policy intervention in developing the cultural industries. The Pearl River Delta study, in the section dealing with the film industry, also suggests a need for the Hong Kong government to encourage innovation and diversity in the industry. In sharp contrast to the past, in which film is regarded as entertainment and an industry, these studies and reports affirm the cultural importance of Hong Kong cinema, and points away from the non-interventionist stance practiced throughout the colonial period.

With the establishment of the Film Development Council and the $300 million Film Development Fund in April 2007, after a year of deliberation and consultation, Hong Kong's film policy entered a new era. For the first time in history, the Hong Kong government will invest directly in film productions, supplying up to 30% of a film's budget. At present, information about the scheme is still scant, but the few details that have emerged bring up some interesting issues. In documents submitted by the Secretary for Industry, Commerce and Technology to the Legislative council, it transpired that the government intended to place restrictions on subject matter for the films funded under the Film Development Fund, disallowing films that feature

excessive violence, sex and crime, thus indicating that the government is more interested in funding inoffensive, morally safe films than promoting film culture. Although the proposed restrictions were subsequently withdrawn, the incident highlighted the ever present danger that the Film Development Fund could turn out to be a variation of cultural policy as display, in which policies are used to affirm the status quo and legitimize the moral values of the ruling elite.

Another provision for the fund was that it be used to support medium-budget films, which happened to be the part of the local cinema most devastated by the market downturn. Since the handover, the number of co-productions with China has greatly increased, and in particular, big budget co-productions have dominated the top box office spots, squeezing out smaller films aimed mainly at the local market. While national cinemas generally have to contend with Hollywood, the Hong Kong cinema faces another "foreign" presence: Mainland China, for which it is both a lucrative market and a source of finance. The strict yet mercurial censorship system in China imposes great restrictions on Hong Kong films in terms of subject matter, effectively killing off certain genres like ghost films that were once a staple of the local cinema. In addition, co-production deals with China oblige producers to cast a certain number of Mainland actors and these Mandarin speaking roles often dilute the local content of Hong Kong films. These developments threaten to water down the

local flavour of Hong Kong's national cinema.

Hong Kong cinema had always been one of the most resolutely commercial cinemas, catering to the tastes of both local and overseas audiences alike. During its heyday it had succeeded on its own terms, developing unique genres, a homegrown star system, distinctive film styles and locally rooted narratives. This Hong Kong cinema, which David Bordwell terms "Hong Kong's most important contribution to global culture"[282], is in danger of being subsumed into greater China. If cinema were to continue to function as the cultural articulation of Hong Kong, then it needs to reconnect with the local audience. It ought to have its share of mundane cinema that originates from local subject matters and responds to local tastes in addition to transnational co-productions and art cinema. Hong Kong's film policy appears to be heading in this direction, and time will tell whether its national cinema can strike a balance between the transnational and the local, and also between the prestigious and the mundane.

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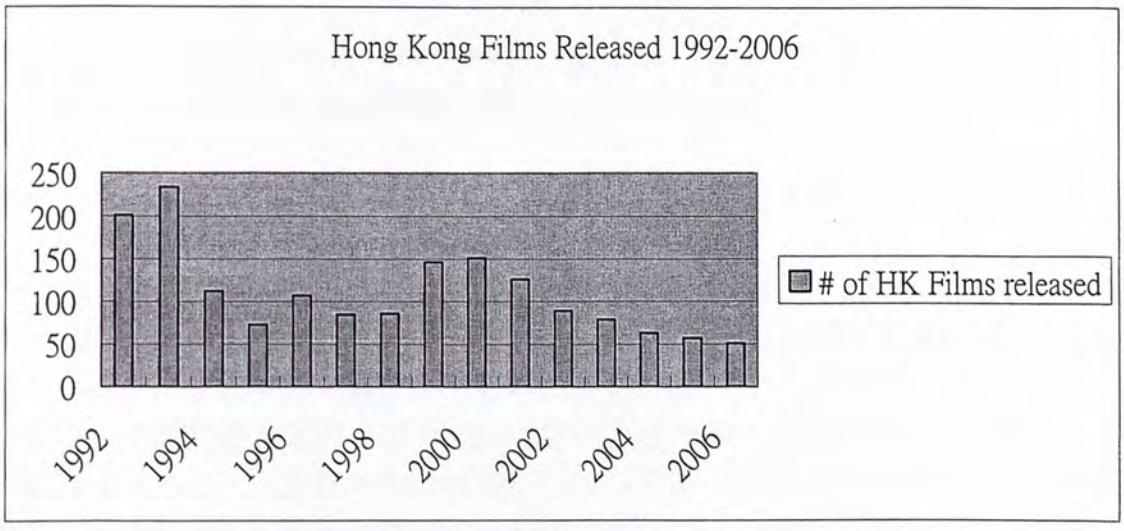
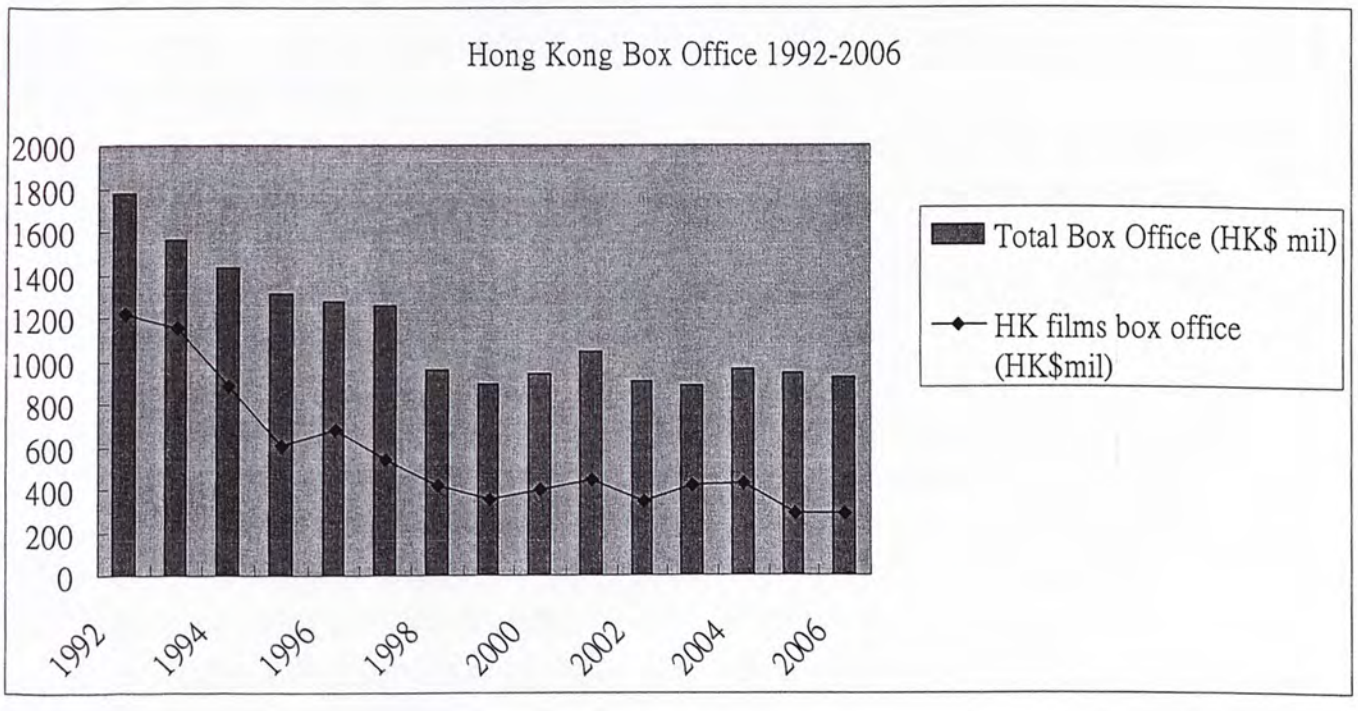
[282] David Bordwell, 2

Appendix 1





Source: MPIA

Appendix 2

Transcript of Interview with chairman of Hong Kong's Motion Picture Industry Association Crucindo Hung, 22 May 2007.

洪祖星訪問　2007 年 5 月 22 日

Q: 電影發展委員會在 05 年成立，你是其中一個委員，可否介紹一下其工作?
A: 電影局在今年才成立，以前那個叫電影資諮委員會，是個資諮機構，主要是提供有關香港電影製作，國內合作，未來發展方向等，在電影資諮委員會討論和總結後，把意見提交政府。05 年成立電影資諮委員會，有很多行內人士參與，由蘇澤光當主席，主要集合大家對電影行業的經驗，提供我們的看法，集中大家意見，有關怎樣幫助電影發展，和怎樣幫助電影向外推廣等，主要是提供這些訊息和大家的意見給政府。
Q: 你們在這一年多的工作有何結論？
A: 我們找了專家做了一份報告，參巧了外國如韓國，英國等地區的電影發展局，他們的工作是什麼？有什麼值得香港參巧？最後發表了一份專家報告
Q: 可否借來看看？
A: 你可問影視署拿，我的那份給了別人。這報告集中報導香港電影未來發展方向，專家提議成立電影發展局，給予實權去工作，可直接向政府拿錢實施工作。
Q: 專家報告是誰寫的？
A: 找了英國和香港一大顧問工司寫的，找來電影從業員了解情況，還參巧了外國情況，資料很齊全。
Q: 政府是否持開放態度，還是一開始便打算成立電影局?
A: 其實回歸前業界已要求成立電影發展局，但一拖再拖至如今。97 後政府對業界多了支持，一直都有聽業界意見，而業界也有很多不同意見，不是一面倒希望成立電影發展局。政府持開放態度聽取業界意見，並非一開始便打算成立電影發展局，是經過和業界溝通後，由電影發展委員會反映業界的意見給政府聽。
Q: 爲何回歸後政府有這樣的轉變？
A: 最重要的是回歸前[香港]是英國人管理，英國文化和我們的文化各方面差別都很大，或許他們的想法跟我們電影人的想法很不相同，好像認爲商業機構應自生自滅，很少幫助電影界。回歸前在街上拍片，警方不會幫忙，不會代爲封路。令到電影人要冒著犯法的危險，有時明知犯法也要做，因爲沒有這場景不成。而且政府建築物如青馬大橋、機場等也不許拍攝，這是回歸前的情況，港英政府對電影業並不支持。回歸後我的看法是換了自己人管香港，了解中國文化，了解電影文化能向全世界推廣，令人認識香港的風景區等，可通過電影這渠道向全世界推廣香港，這一點很重要。觀乎現今全世界實際的戰爭已很少，但文化戰卻漸漸增強。美國、歐洲等都通過電影推廣自己，在全世界佔據文化領域。特區政府也

看到這點，以電影向外推廣中國文化，看得出電影不全是商業那麼簡單。我認爲電影是全世界推廣國家文化和經濟進步的最重要工具。

Q: 這種轉變是慢慢的還是突然間發生？

A: 回歸後的十年來香港海關很努力打擊盜版，在港英時代看不出有這麼積極。回歸後海關對打擊盜版出了很多力，也很成功，若你問電影界的人，大多會對海關這十年來的表現相當滿意，也對電影界幫助很大，所以從各方面來看這十年來政府對電影界的支持力度越來越大。

Q: 你認爲這是政府主動採取這角色，還是被電影界強迫多了？

A: 可從兩方面看，電影界沒有強迫政府，只是提供意見。但政府內部也一定有政策支持電影業，所以才那麼樂意接受意見去解決那些問題。回歸後，特別在這五年內，在電影場地等，以前租金相當昂貴，五年來經過電影界與政府商量，反映意見等，結果五年內租用政府場地的租金減了至少一半。警察代爲封路拍片，租用政府建築物作爲拍攝等，也很樂意幫忙。

Q: 我記得回歸前也有很多來自業界的聲音要政府支持電影業，回歸後爲何有這改變？

A: 業界要政府支持電影業的聲音回歸前後也有，政府處於兩難，很難說全面支持電影業，因要考慮很多其他方面如商會、其他工業和商人的聲音，「爲何你只支持電影業，不支持我們？」很多工業也需要政府扶持，他們也是對的。政府支持這些工業只能透過貿易發展局向外推廣，因爲這些純粹是商業活動，但電影不同，如之前所說，電影是推廣旅遊、文化等最好的宣傳工具，比政府花幾千萬、幾億元對外宣傳效益更重大。《無間道》改編的劇本的電影在奧斯卡得獎，全世界幾億人都看得到，看到香港電影改編的作品得到奧斯卡最佳電影和劇本，令全世界也知道香港的存在。若向全世宣傳香港大家未必會留意到，但奧斯卡卻有十億八億觀眾，讓大家注意到香港，所以這一點便和其他工業很不同。

Q: 奧斯卡才是去年的事，但在此之前有否什麼特別的誘因令政府改變對電影的立場？

A: 近幾年港產片的數量下降，但質素卻有所提升，在許多影展如康城也得獎。這跟體育發展有點相似，近幾年體育發展也很快，甚至在世界也有得獎，政府用了很多力度支持體育。電影界在這十年八年來在世界很多地方得獎，甚至在康城也得獎，令政府看到電影的宣傳作用，所以他們對業界的意見較容易接受。

Q: 你跟政府開會的時候，他們有否舉如王家衛這些例子？

A: 這些例子每個人都看得到，我們跟他們開會的時候，會提到電影有利宣傳中國文化，宣傳香港的旅遊等。如 Lord of the ring 可令旅遊一年內上升百分之八，宣傳的力量相當大。我們用這些具體例子向政府說明，官員都是聰明人，一聽便明白。有這些例子說明，他們更容易明白，肯花資源支持電影界。

Q: 你剛才說那裡增加了百分之八？

A: Lord of the Ring 在 New Zealand 拍嘛...

Q: 所以令紐西蘭旅遊業增長了百分之八？

A: 對了。他們的旅遊人數在一年之間增加了百分之八

Q: 現在成立了電影發展局，未來將有什麼工作？

A: 最重要的是政府給了三億元發展局，用這三億元支持電影業，包括陪訓人材，還有一部分是投資電影成本的百分之三十來拍片，賺和蝕也大家分，這對中小公司，資金不足的有幫助作用，因爲政府給了百分之三十，加上自己籌得的百分之七十來拍一部片。中型片一般是一千萬左右，小型片是五百萬以下，大片預算可過億，中型片是最需要資金支持，拍大片的大公司、大企業不需要政府這幾百萬，二三百萬的影片也不需要政府支持，所以中片，一千萬左右的最需要政府支持。現在發展局要做的是第一決定這三億元怎麼運用，第二是爲香港電影發展和向全世界推廣電影，和中國合作等，這是現在最大的題材，因爲若不和大陸合作，香港電影沒法生存。香港人口太小，若拍一億元的大片，香港市場支持不了這麼大的製作，所以一定要靠大陸市場。我們要研究怎樣去消除阻礙，令到大家可更容易到大陸拍片。

Q: 現在這些工作進行得怎樣？

A: 現在電影局才剛開始，我們一個月前才剛剛開了第一次會，一直會研究怎樣做。

Q: 聽說有一方案是在廣東省讓香港片更易取得放映

A: 現在已實行了，這不是電影發展局的功勞，而是電影發展委員會時已向政府提出，經香港電影人和大陸官員溝通，現在廣東話的影片在廣東省放映已不需要配音，這工作已完成了。

Q: 這政策已推出了？

A: 對，已在市場推出了。

Q: 反應怎麼樣？這是 CEPA 一部分嗎？

A: 對了，實行了三個多月

Q: 聽說之前香港片在大陸放映的反應一般

A: 其實與大陸合拍的電影便可在大陸發行，不用交給中央發行，自己找發行公司在戲院上映，自己做廣告等。純粹的香港片不能直接在大陸發行，一定要交給中央，以前是這樣子的。現時香港的電影有百分之九十是合拍的，這兩年來這些片都可在大陸發行。現在說的是除下百分之十沒有跟大陸合作的，現在開放了，只要檢查通過，沒問題便可在廣東省播放，可以自己交由廣東省的發行公司給你放映，用廣東話放映，以前在大陸放映一定要用國語，不准有地方方言，現在合拍的片在廣東省可用廣東話放映，這對香港電影是一種支持。

Q: 最近有那部片這樣在廣東省放映?

A: 最近很多片都這樣

Q: 票房怎樣?

A: 票房不錯，在廣東票房不錯

Q: 我們說過去十年來政府給予電影業很多支持，但行業好像並不特別蓬勃，好像去年拍片的數量只有五十多部，好像越來越低

A: 這也是實情，這不是關於打擊盜版或政府支持的問題，爲何電影業越來越差？也不全是因爲電影業。十五年前香港的娛樂純粹是看電影，看午夜場是普遍的娛樂，沒有其他選擇。這十五年來科技的進步太快，變化太多，有足球、酒吧等，有太多地方可供娛樂，分散了觀眾，所以票房便少了，拍電影的數量也少，因爲半數電影都要虧本，但雖然拍的數量少了，質量卻高了，以前香港的電影沒有向全世界推廣得那麼多，但現在香港拍的電影全世界每一角落都看得到。所以現在拍電影集中在幾個大公司手上，原因是一個怪現像，去年港產片票房有三億元，有四十八部戲；但兩億二千萬至三千萬集中在前面的十部。現在的問題是大片才有人去看，小的片少很多人看，大片不用賠本甚至有賺，後面那三十八部平均只有一百萬左右票房，上映一部電影連拷背和宣傳費也要二百多萬，所以很多小型製作虧本，這是全世界的現像，不純粹是香港片，美國片也是如此。美國片在香港去年票房有五億，前面三億被頭十部佔了，去年上映的美國片和華語片也有不少，一共有一百五十部之多，包括韓國片日本片等，舊年在香港發行的超過一百五十部，共有五億票房，前面的三億被前面的十部佔了。

Q: 這是票房兩極化的問題，但你剛才說電影發展局要支持中小型製作，其實是否方向錯了？

A: 不是的，因爲計劃的目標是培養新人出來。因爲投資大片一般老闆會找大明星，所以香港現在有一個很奇怪的現像，這幾年來都是那幾個大明星，沒有新明星出來，爲了穩陳都找大明星拍片，小明星沒人敢請，只會拍些很小的製作，沒有票房爆冷這些明星便上不了位，加上另一問題是電視上以前是有訓練班的，大明星都是從訓練班出來，紅了才拍電影，周潤發、周星馳等全都是這樣。現在訓練班沒了，要通過另外的渠道找新人，甚至劇集也拍少了，在東南亞買劇集來放，電視台少了培養新人出來，再加上電影圈只有幾個大明星當道，中小型電影抬不了頭，新導演也沒機會拍片，電影是需要有新思路，新題材，才會對電影圈有衝擊。政府現在的目標是拍中型片，第一希望有市場，第二是培養新人，思路是這樣。

Q: 那是說拍這些片不希望賺錢？

A: 老實說拍十部片有五部賺錢已很高興，但主要目標是培養新人出來。

Q: 若是這樣，爲何公司要開拍這些電影？就算少賠了三分一，還要賠其餘三分二。

A: 不一定每一部也賠的，有機會爆冷的。電影這行業就是這樣，就算有機會賠本也要試，電影跟六合彩 jackpot 一樣，有幾千萬元總有一個人會中獎，電影每年總會有兩三部爆冷，所以電影老闆都願意一搏，這是電影不同的地方，做工廠若賠本的話便不會做，但電影未到上畫一天是不會知道賺還是賠的，到那天才知道是不是好電影。一部片的成本可能要幾百萬美元，但有時全世界票房卻可達過億，所以電影就有這夢工場的味道。

Q: 所以電影的老闆不會像普通生意人一樣做保守的計算？

A: 對，他們比較具搏殺性

Q: 前兩個月聽到有關電影發展局的新聞，說資助的電影在題材上會有所限制…
A: 現在取消了，以前說色情、暴力的作品會不獲通過，但我們上次開會時取消了
Q: 真的嗎？我起初聽到這消息也很愕然，很多導演也表態反對，爲何取消了卻沒有傳媒報導？
A: 已取消了
Q: 你剛才提到中國市場的重要，你會否覺得要打入中國市場要犧牲創作自由？
A: 現在情況是這樣，每個國家也有電檢制度，大陸現在跟幾年前，除了政治的題材，其他的已開放得很厲害。比如說最近劉德華的一部片《門徒》，大陸都通過了，可以在大陸放映，以前吸毒的電影不可能放映，所以大陸已越來越開放。現在我們跟大陸洽談的時候，最希望他們成立電影三級制，有三級制創作便自由很多，因爲沒可能一部片一歲到一百歲也可以看，沒可能這樣子。有時拍愛情片始終也要有點床上鏡頭，動作片沒有爆血也不夠刺激。所以這類片一定要分級，十八歲以上才可進場觀看，這樣便有創作自由。所以三級制若可實行，合拍片便更方便，我已向發展局提出，一定要跟大陸多溝通，希望可儘快引入三級制。
Q: 香港這麼小的地方，能否向大陸施壓？
A: 若施壓便肯定不成，一定要溝通，解釋給他們聽，告訴他們創作自由的好處。現在大陸不止跟香港有合拍，跟美國也有。若有三級制，審查劇本會容易得多，有三級制這觀念，便更容易審查。現在很少電影可供一歲至一百歲的觀眾看，所以有時恐怖片，鬼片等，小朋友不能看，所以大陸不能通過，這來便少了一個題材。
Q: 你接觸的大陸官員當中，有否這種傾向的？
A: 有。他們自己也討論了很多。最初他們有所誤會，總覺得三級便一定是色情片。所以我們要解釋給他們聽，三級不一定是色情片，讓他們多了解，現在情況已比以前好了很多。大陸自己也有很多人提出三級制。

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